

2027 Draft Budget Overview

Jillian Lessner

Chief Financial & Administrative Officer

**Electric Reliability
& Security for the West**

May 4, 2026

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**

The Work: Compliance Monitoring and Enforcement (CMEP)

- Promotes strong culture of reliability and security with Registered Entities
- Monitors and enforces reliability standards
- Mitigates risk in the Western Interconnection



The Work: Reliability Assessment and Performance Analysis (RAPA)

- Conducts studies and assessments
- Compiles and distributes reports and analyses based on the data
- Mitigates risk in the Western Interconnection



The Work: Strategic Engagement

- Engages with stakeholders on the risk-related work of CMEP and RAPA
- Facilitates discussions across diverse stakeholder groups for the benefit of risk mitigation and reliability



2025 Western Assessment of Resource Adequacy

WECC's annual Western Assessment of Resource Adequacy provides a high-level examination of risks to the reliability of the Western Interconnection related to resource adequacy over the next 10 years. Through an energy-based probabilistic approach, WECC examines the risks throughout the entire interconnection and eight subregions, across all potential hours at risk (unlike traditional peak load hour assessments). This work is intended to help stakeholders target specific areas and topics for deeper evaluation and mitigation.

2027 Statutory Budget Context

- Ensure adequate resources to mitigate risks to the BPS and to meet demands of increasing workload
 - Increase in number of registered entities is a major 2027 budget driver
 - Registration of ~ 150 CAT 2 GOs as of May; another 50 possible by year-end to total approximately 700
- Recognize the complexity inherent in the modern grid and the pace of industry and consumer change
- Maintain adequate working capital reserves



2027 Statutory Budget Overview

- Statutory budget – \$42.0 million— \$1.9 million (4.7%) increase
 - Percentage increase excluding one-time gas-electric interdependence study – 2.2%
 - Approximately \$270K less than 2027 projection compiled during 2026 BP&B cycle
- Nine additional FTEs, mostly in CMEP, due to increase in number of registered entities
- Assessments – \$38.5 million— \$2.9 million (8.0%) increase
 - Consistent with prior assessment stabilization work and MBS recommendations
- Penalties collected and released to date— \$0
- Reserve usage
 - Peak Reliability Donation Reserves – \$1.1 million
 - Working Capital Reserves – \$1.0 million

Major Statutory Budget Drivers

- Nine statutory FTE additions
- Merit and market adjustment pools
- One-time gas-electric interdependence study
- Increase in indirect allocation to non-statutory
- Reduction in R&S Workshops from two to one

Budget Comparison: 2026 to 2027

	2026 Budget	2027 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 35,657,280	\$ 38,509,860	\$ 2,852,580	8.0%	Budget increase, no penalties, assessment stabilization recommendation
Penalties	41,745	-	(41,745)	-100.0%	
Other Income	1,757,506	1,363,053	(394,453)	-22.4%	Lower interest rates, reduction of one R&S Workshop
Total Funding	\$ 37,456,531	\$ 39,872,913	\$ 2,416,382	6.5%	
Expenses					
Personnel Expenses	\$ 32,652,261	\$ 34,180,975	\$ 1,528,714	4.7%	9 FTE, 5% merit/market adj pool, refined tax/benefit rates
Meeting Expenses	1,655,128	1,552,548	(102,580)	-6.2%	Reduction of one R&S Workshop, increased travel costs and activity
Operating Expenses	7,153,710	7,838,874	685,164	9.6%	Gas-electric interdependence study, completion of WestTEC project
Indirect Expenses	(1,437,341)	(1,691,294)	(253,953)	17.7%	Increase in non-statutory FTE, increase in expense base for allocation
Total Expenses	\$ 40,023,758	\$ 41,881,103	\$ 1,857,345	4.6%	
Fixed Assets	\$ 109,116	\$ 132,187	\$ 23,071	21.1%	
Total Budget	\$ 40,132,874	\$ 42,013,290	\$ 1,880,416	4.7%	
Change in Working Capital	\$ (2,676,343)	\$ (2,140,377)	\$ 535,966		Lower use of reserves to offset assessments
FTEs	178.0	187.0	9.0	5.1%	

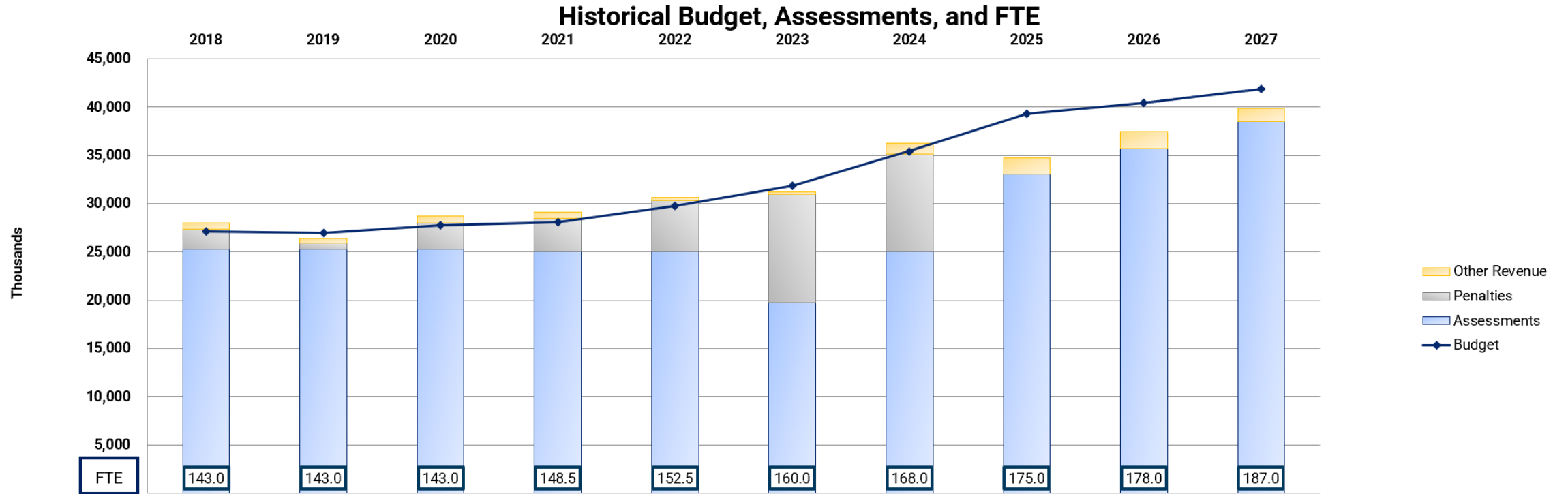


Budget Comparison: Draft 1 to Draft 2

	2027 Budget Draft #1	2027 Budget Draft #2	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 38,509,861	\$ 38,509,860	\$ (1)	0.0%	
Penalties	-	-	-	100.0%	
Other Income	1,610,303	1,363,053	(247,250)	-15.4%	Reduction of one R&S Workshop
Total Funding	\$ 40,120,164	\$ 39,872,913	\$ (247,251)	-0.6%	
Expenses					
Personnel Expenses	\$ 34,180,975	\$ 34,180,975	\$ -	0.0%	
Meeting Expenses	1,854,670	1,552,548	(302,122)	-16.3%	Reduction of one R&S Workshop and associated employee travel
Operating Expenses	7,848,124	7,838,874	(9,250)	-0.1%	
Indirect Expenses	(1,688,276)	(1,691,294)	(3,018)	0.2%	
Total Expenses	\$ 42,195,493	\$ 41,881,103	\$ (314,390)	-0.7%	
Fixed Assets	\$ 132,187	\$ 132,187	\$ -	0.0%	
Total Budget	\$ 42,327,680	\$ 42,013,290	\$ (314,390)	-0.7%	
Change in Working Capital	\$ (2,207,516)	\$ (2,140,377)	\$ 67,139	-3.0%	
FTEs	187.00	187.00	-	0.0%	



Budget Compared to Funding Sources



* Estimated based on current needs analysis.



Next Steps

- May 4 – first budget overview webinar for stakeholders
- May 7 – budget overview at WIRAB monthly meeting
- May 11 – second budget overview webinar for stakeholders
- May 15 – three-week stakeholder comment period ends
- June 10 – budget presented to WECC board for approval
- August – NERC board of trustees approval and filing with FERC
- October/November – FERC approval



www.wecc.org | 801-582-0353



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