

2027 Draft Budget Overview

WECC Executive Team

**Electric Reliability
& Security for the West**

March 5, 2026



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



Compliance Monitoring and Enforcement

| Administration | | | | | FTE: 2 |
|---|--|--|---|---|--------|
| Registration and Certification | Oversight Planning | Entity Monitoring | Enforcement and Mitigation | Program Analysis and Administration | |
| <ul style="list-style-type: none"> • Registration • BES exception process • Functional mapping • Certification and Certification Review | <ul style="list-style-type: none"> • Compliance Oversight Plans • Coordination with Entity Monitoring on scoping • Entity internal compliance program assessments | <ul style="list-style-type: none"> • Compliance Monitoring (audits, spots checks, self- certification, periodic data submittals, and investigations) • Compliance review of events • Subject Matter Expert review on SARs and standards under development | <ul style="list-style-type: none"> • Review and validate potential noncompliance • Settlement activities • Noncompliance disposition • Self-Logging program | <ul style="list-style-type: none"> • CMEP activity coordination • Multi-Regional Registered Entity Program for Coordinated Oversight • Document control • Metrics and trend reporting • Align implementation, outreach, and training | |
| FTE: 6 (+1) | FTE: 11 | FTE: 37 (+4) | FTE: 19 | FTE: 11 (+2) | |



Reliability Assessment and Performance Analysis

| Administration | | | FTE: 3 |
|---|---|---|---|
| Risk Analysis & Data Services | Reliability Assessments | Reliability Modeling | Operations Analysis |
| <ul style="list-style-type: none"> • Risk identification, analysis, and mitigation management • Regional risk analysis • ERO data collection efforts (e.g., GADS) • Data trending and analysis • Data visualization • Data management | <ul style="list-style-type: none"> • ERO reliability assessments • Resource adequacy • Transmission congestion and transfer capability • Contingency analysis • Scenario analysis • Planning services (e.g., Path Rating Process) | <ul style="list-style-type: none"> • Power flow and dynamics models • Production cost models • Loads and resources data • Short-circuit data • EMT modeling • Data quality improvement • Model and tool enhancements • Model validation | <ul style="list-style-type: none"> • Event analysis • Situation awareness • Performance analysis • Infrastructure security • Assurance visits and operational coordination |
| FTE: 8 | FTE: 11 | FTE: 13 | FTE: 7 |



2027 Statutory Budget Overview

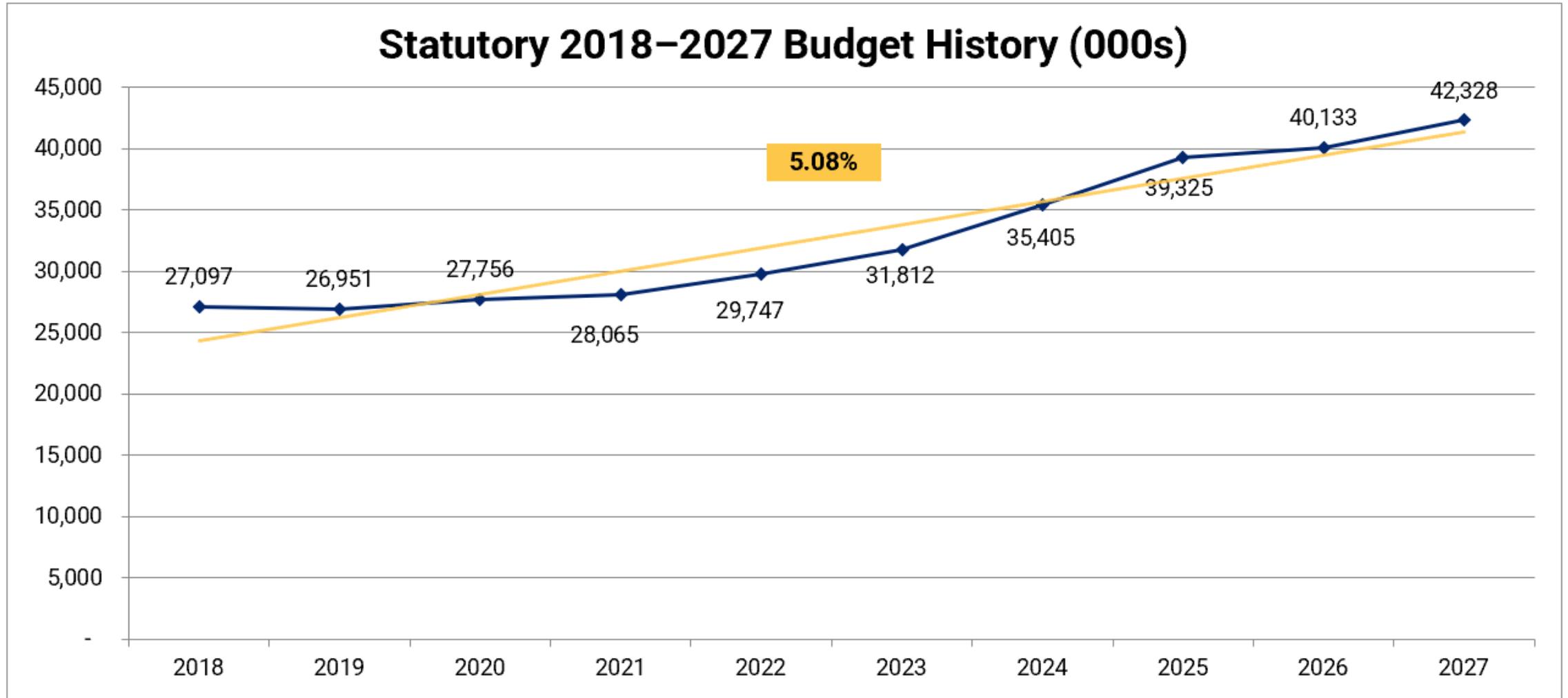
- Statutory budget – \$42.3 million— \$2.2 million (5.5%) increase
 - Percentage increase excluding one-time gas-electric interdependence study – 3.0%
 - Within \$50K of 2027 projection during 2026 BP&B cycle
- Nine additional FTEs, mostly in CMEP, due to increase in number of registered entities
- Assessments – \$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 – \$1.1 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
- Increase in meeting and travel costs and travel activity

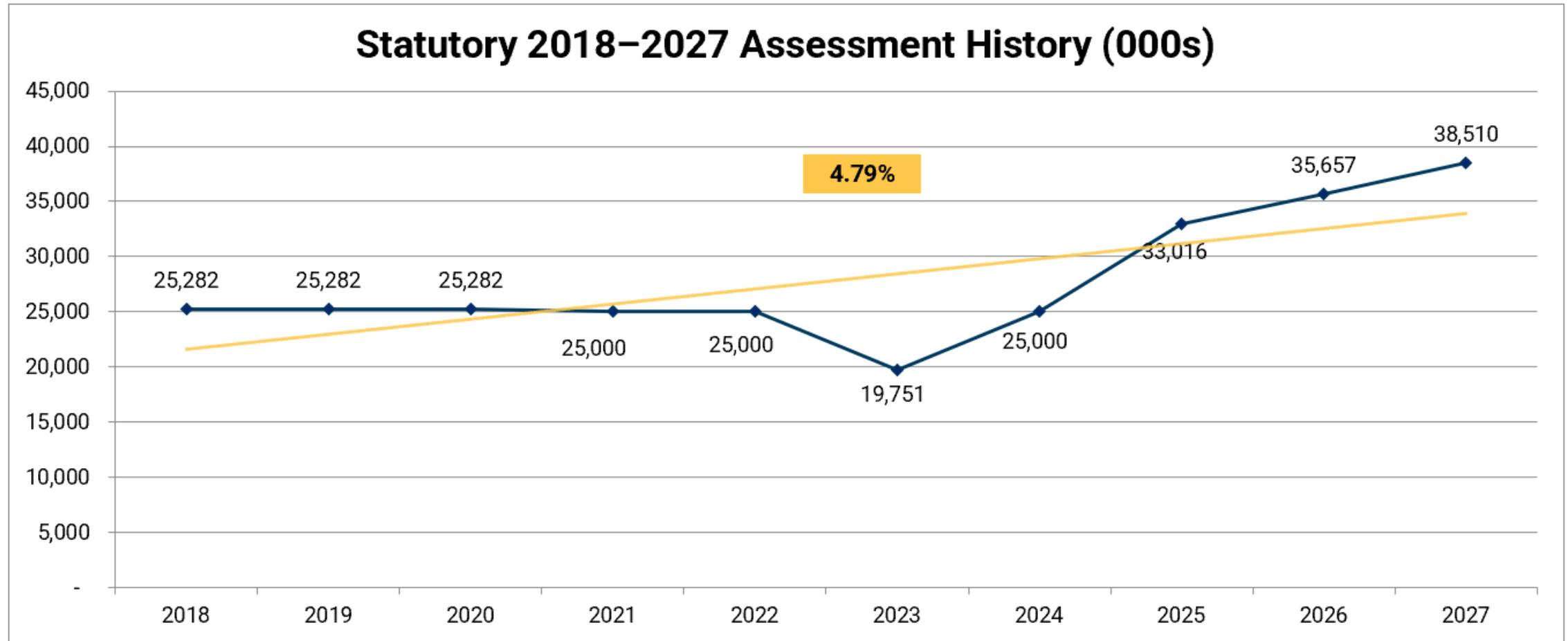


10-Year Statutory Budget Trend



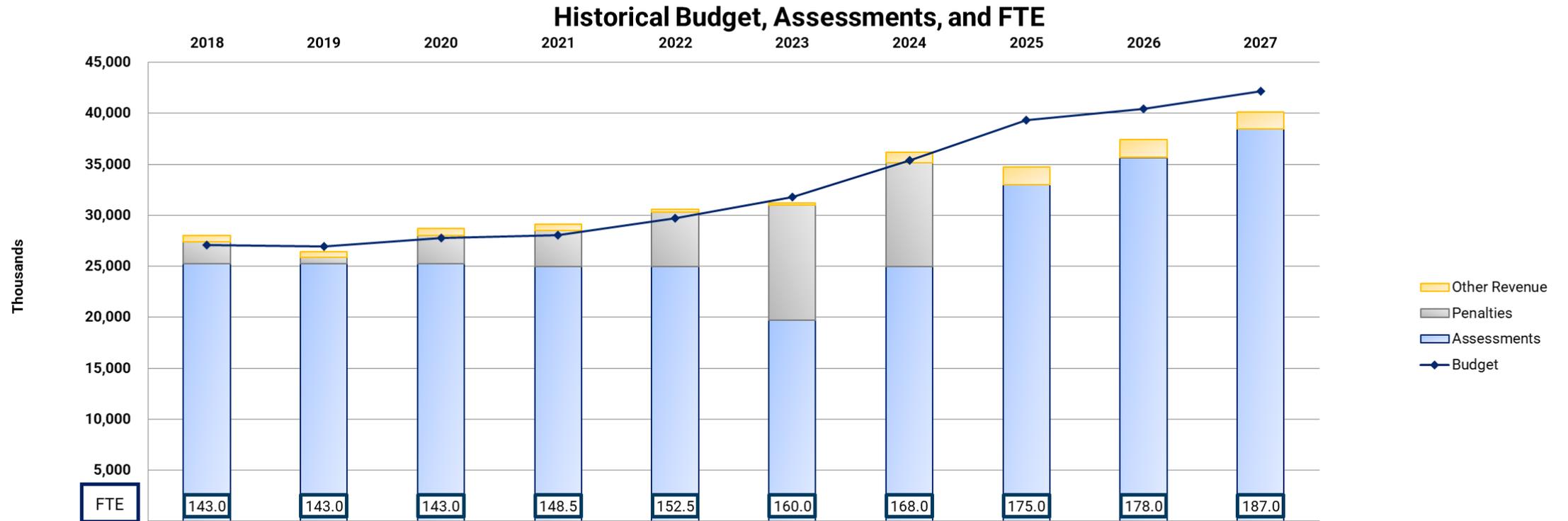


10-Year Assessment Trend





Budget Compared to Funding Sources



Statutory FTE by Program

| Total FTEs by Program Area | Budget 2026 | Direct FTEs 2027 Budget | Shared FTEs* 2027 Budget | Total FTEs 2027 Budget | Change from 2026 Budget |
|--|----------------|----------------------------|-----------------------------|---------------------------|----------------------------|
| STATUTORY | | | | | |
| Operational Programs | | | | | |
| Reliability Standards | 3.00 | 3.00 | - | 3.00 | - |
| Compliance Monitoring and Enforcement and Organization Registration and Certification | 79.00 | 86.00 | - | 86.00 | 7.00 |
| Reliability Assessment and Performance Analysis | 42.00 | 42.00 | - | 42.00 | - |
| Training and Outreach | 9.50 | 8.00 | - | 8.00 | (1.50) |
| Situation Awareness and Infrastructure Security | 2.00 | 2.00 | - | 2.00 | - |
| Total FTEs Operational Programs | 135.50 | 141.00 | - | 141.00 | 5.50 |
| Corporate Services | | | | | |
| Technical Committees and Member Forums | - | - | - | - | - |
| General and Administrative | 17.50 | 19.00 | - | 19.00 | 1.50 |
| Legal and Regulatory | 4.00 | 4.00 | - | 4.00 | - |
| Information Technology | 14.00 | 16.00 | - | 16.00 | 2.00 |
| Human Resources | 4.00 | 4.00 | - | 4.00 | - |
| Finance and Accounting | 3.00 | 3.00 | - | 3.00 | - |
| Total FTEs Corporate Services | 42.50 | 46.00 | - | 46.00 | 3.50 |
| Total FTEs | 178.00 | 187.00 | - | 187.00 | 9.00 |

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

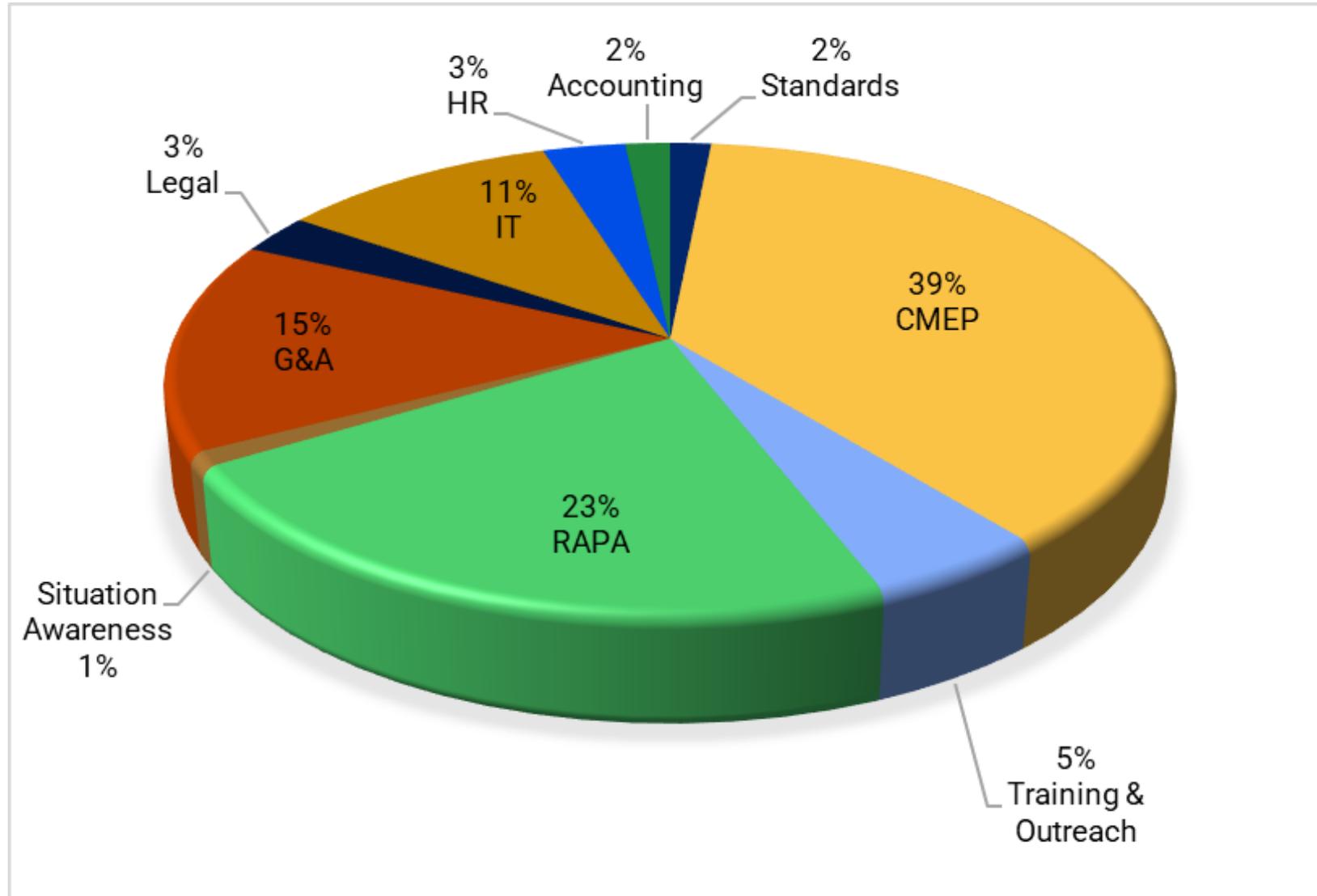


2026 to 2027 Draft Budget Comparison

| | 2026 Budget | 2027 Budget | Variance \$ Incr(Decr) | Variance % Incr(Decr) | Primary Drivers |
|----------------------------------|-----------------------|-----------------------|---------------------------|--------------------------|---|
| Funding | | | | | |
| Assessments | \$ 35,657,280 | \$ 38,509,861 | \$ 2,852,581 | 8.0% | Increase in budget, no penalties collected, capped at assessment stabilization recommendation |
| Penalties | 41,745 | - | (41,745) | -100.0% | |
| Other Income | 1,757,506 | 1,610,303 | (147,203) | -8.4% | Lower interest rates, use of reserves |
| Total Funding | \$ 37,456,531 | \$ 40,120,164 | \$ 2,663,633 | 7.1% | |
| 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 | 1,854,670 | 199,542 | 12.1% | Increased travel costs and activity |
| Operating Expenses | 7,153,710 | 7,848,124 | 694,414 | 9.7% | Gas-electric interdependence study, completion of WestTEC project |
| Indirect Expenses | (1,437,341) | (1,688,276) | (250,935) | 17.5% | Increase in non-statutory FTE, increase in expense base for allocation |
| Total Expenses | \$ 40,023,758 | \$ 42,195,493 | \$ 2,171,735 | 5.4% | |
| Fixed Assets | \$ 109,116 | \$ 132,187 | \$ 23,071 | 21.1% | |
| Total Budget | \$ 40,132,874 | \$ 42,327,680 | \$ 2,194,806 | 5.5% | |
| Change in Working Capital | \$ (2,676,343) | \$ (2,207,516) | \$ 468,827 | | Lower use of reserves to offset assessments |
| FTEs | 178.0 | 187.0 | 9.0 | 5.1% | |



Budget Concentration





Next Steps

- March through April
 - Meet with and provide information to the MBS
 - MBS members provide feedback
- April 28 – post current draft of BP&B for stakeholder comment
- 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 – present budget for approval at WECC board of directors meeting



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