



Finance and Audit Committee

Meeting Agenda
Salt Lake City, Utah

[Link](#), Password: WECC
Dial-in Number: 1-415-655-0003
Attendee Access Code: 2634 249 6182

March 10, 2026

11:20–12:20 p.m. MDT

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 December 9, 2025
5. **Review Previous Action Items – Jillian Lessner**
6. **Review Reserve Policy – Jillian Lessner**
7. **Review Draft 2027 Business Plan and Budget – Jillian Lessner**
8. **MAC Budget Subcommittee Comments – Stephanie Little**
9. **Review 2025 Unaudited Financial Results – Jillian Lessner**
10. **Review January 2026 Financial Results – Jillian Lessner**
11. **Public Comment**
12. **Review New Action Items**
13. **Review Upcoming Meetings**

June 9, 2026.....Salt Lake City, Utah
 September 15, 2026Salt Lake City, Utah

<Public>

December 8, 2026.....Salt Lake City, Utah

14. Adjourn





Finance and Audit Committee

Meeting Minutes
Salt Lake City, Utah

December 09, 2025

11:30 to 12:30 p.m. Mountain Time

1. Welcome, Call to Order

Richard Woodward, Finance and Audit Committee (FAC) Chair, called the meeting to order at 11:30 a.m. MT on December 9, 2025. A quorum was present to conduct business. A list of attendees is attached as Exhibit A.

2. Review WECC Antitrust Policy

Jillian Lessner, Vice President and Chief Financial and Administrative Officer, 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 Jim Avery, the FAC approved the agenda.

4. Review and Approve Previous Meeting Minutes

Mr. Woodward introduced the minutes from the meeting on June 10, 2025.

On a motion by David Morton, the FAC approved the minutes from June 10, 2025.

5. Review Previous Action Items

Ms. Lessner reviewed the action item from the June 10, 2025 FAC meeting and one item is carried forward to the March 2026 FAC meeting.

6. Review Investment Performance and Adherence to WECC's Investment Policy Statement

Anthony Gardner, Wells Fargo Advisors, provided an update on WECC's 2025 portfolio performance, the impact of potential interest rate cuts and inflation over the next 12 months, and confirmed compliance with WECC's Investment Policy Statement.

Scott Kellner and Jordan Taylor, Zions Capital Advisors, provided an update on its view of the market, WECC's portfolio performance, liquidity planning, and confirmed they will adjust WECC's portfolio to adhere to WECC's current Investment Policy Statement.

7. Review Investment Policy Statement

Mr. Woodward introduced the Investment Policy Statement. The committee discussed suggested updates and changes and agreed to create an action item and follow up in March 2026.

8. Review 2027 Business Plan and Budget Schedule

Ms. Lessner reviewed the 2027 Business Plan and Budget Schedule.

9. Review Year-to-Date Financial Results and Year-end Forecast

Ms. Lessner reviewed the year-to-date financial results and 2025 forecast.

10. Public Comment

No public comments were made.

11. Review New Action Items

- Present Zion’s proposed changes to the investment policy statement to the FAC
 - Assigned to: Jillian Lessner
 - Due Date: March 10, 2026
- Draft Request for Proposal (RFP) for a 2026 financial audit
 - Assigned To: Jillian Lessner
 - Due Date: June 9, 2026

12. Review Upcoming Meetings

March 10, 2026 Salt Lake City, UT
 June 9, 2026 Salt Lake City, UT
 December 8, 2026 Salt Lake City, UT

13. Adjourn

Mr. Woodward adjourned the meeting without objection at 12:16 p.m.

Exhibit A: Attendance List

Members in Attendance

Richard Campbell WECC Board
 Deneen DeFiore WECC Board
 David Morton WECC Board
 Richard Woodward WECC Board



<Public>

Jillian LessnerWECC



<Public>



Reserve Policy - Finance and Audit Committee

Purpose

This policy governs the determination of WECC's annual working capital and operating reserve requirements and the required authorization levels to access and use these funds.

Policy

WECC's annual target working capital and operating reserve requirement will be a range of one to three months of budgeted operating expenses. Operating expenses will include all recurring, predictable expenses such as salaries and benefits, rent, utilities, professional services, travel, and meeting expenses. Depreciation and fixed asset expenditures will be excluded from the calculation.

Any reserves in excess of the target range will be used to offset Assessments for the next budget year. If reserves fall below the low end of the range, assessments will be increased by an amount deemed appropriate by the Finance and Audit Committee in the next budget year to replenish reserves.

The CEO will have the authority to access and use reserves in an amount up to the CEO's budget overrun authorization limit of 3% of the annual WECC budget. The CEO will inform the Finance and Audit Committee of any reserve usage.

Access to and use of reserve funds greater than 3% of the annual WECC budget must be approved by the Board of Directors.

Process

The target reserve requirement will be calculated and approved annually as part of the Business Plan and Budget process.

This policy will be reviewed, at a minimum, annually.

<Public>

This policy supersedes and revokes all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. WECC reserves the right to add to, delete, change, or revoke this policy at any time, with or without notice. This policy does not create a contract between WECC and any employee or contractor, nor does it create any entitlement to employment or any benefit provided by WECC to its employees or contractors. Caution!—This document may be out of date if printed.

<Public>



2027 Draft Budget Overview

Jillian Lessner
March 10, 2026

Statutory Budget Introduction

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 (AI), and the proliferation of data centers and other technologies, with their accompanying large demand for electricity. The 2027 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. Given the rapidly evolving state of AI, this budget assumes status quo relating to process improvements. Any potential efficiencies gained due to WECC's 2026 adoption of AI are not assumed in the 2027 budget.

Given this industry context, the 2027 draft statutory budget was developed with these things in mind:

1. Ensuring WECC is adequately resourced to meet its delegated responsibilities, to mitigate the increasing risks to reliability, and to meet the resulting demands placed on the organization
2. Recognizing the growing complexity and pace of change in the industry
3. Maintaining working capital reserves at adequate levels

WECC's 2027 draft budget is developed based on operational needs and meeting the terms of our Delegation Agreement without presupposing the availability of penalties to offset assessments. The statutory budget is \$42.3 million and is increasing approximately \$2.2 million (5.5%) from 2026 to 2027. The major drivers of the proposed net budget increase are nine full-time equivalent (FTE) additions, merit and market adjustment pools, a one-time gas-electric interdependence study (funded with Peak Reliability Donation Reserves), and an increase in the indirect allocation of overhead expenses to the non-statutory program. Excluding the one-time study expense funded by the Peak Donation Reserves, the budget increase is 2.98%.

The 2027 assessment increases \$2.9 million (8.0%) to \$38.5 million due to the increase in budgeted expenditures and a reduction in the use of reserves to offset assessments. An 8% increase is in line with prior assessment stabilization work and MAC Budget Subcommittee recommendations. Additionally, there have been no penalties collected to date to offset 2027 assessments; therefore, the draft 2027 budget is funded mostly by assessments with the exception of a small amount of investment and workshop revenue, Peak Reliability Donation reserves, and working capital reserves. In prior years, in some cases, there were large penalties available to lower assessments.

Statutory working capital reserves are anticipated to be approximately \$8.2 million by December 31, 2026, which is near the high end of the Reserve Policy ceiling of \$10.5 million (one to three months of

<Public>

operating expenses). Per this draft of the 2027 Business Plan and Budget, management proposes using approximately \$1,145,000 of Peak Reliability Donation reserves and \$1,063,000 of working capital reserves to fund the 2027 budget.

In recent years, WECC has been working to improve its ability to project future years’ budgets presented in the annual Business Plan and Budget. The total 2027 draft budget’s expenditures are currently within \$50K of our 2027 budget projection presented in the 2026 Business Plan and Budget.

Reconciliation of 2026 to 2027 Statutory Budget – Major Drivers

	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		
FTEs	178.0	187.0	9.0	5.1%	

Proposed Statutory FTE Additions in 2027

In the 2027 budget, WECC is adding nine statutory FTEs (and three non- statutory FTEs) due to increasing organizational needs and priorities driven by the environment in which WECC is operating.

Compliance Monitoring and Enforcement

Seven FTEs are added to the Compliance Monitoring and Enforcement (CMEP) and the Organization Registration and Certification budgets in 2027.

- Four auditors are added due to increases in activity due to monitoring of new registrants and anticipated increases in expectations from NERC and FERC.
- One risk assessment engineer is added to assist in oversight planning and analysis activities.
- Two compliance program coordinators are added due to increased activities across registration and certification, entity monitoring, and enforcement due to new registrants.

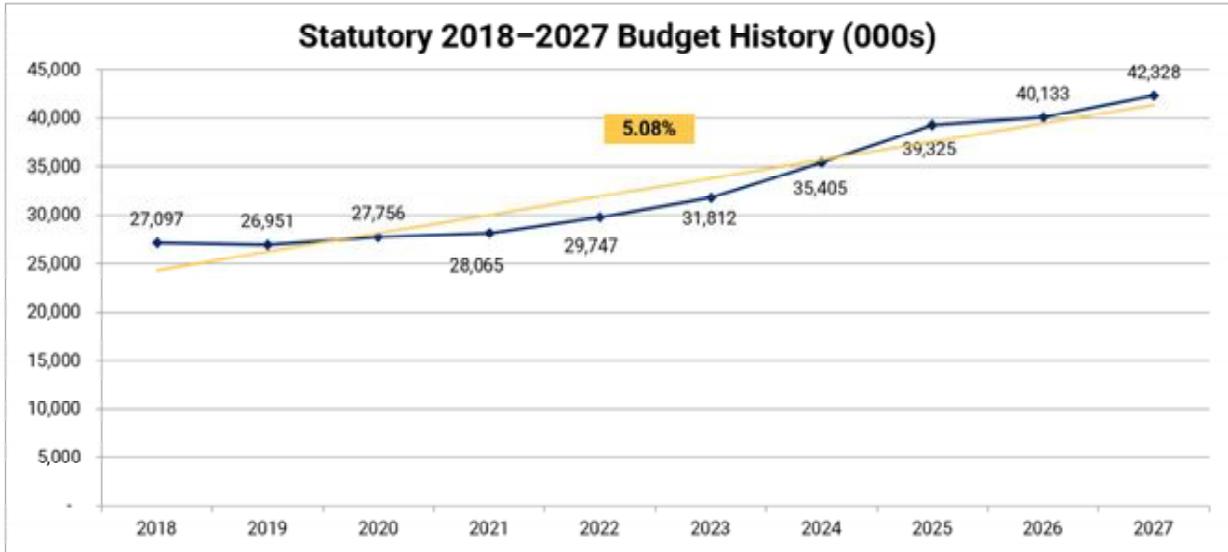
Information Technology

- One AI analyst is added to help translate business needs into data workflows for AI tools to improve processes and analytical capabilities.
- One data reporting analyst is added to provide and expand data management and reporting capabilities.

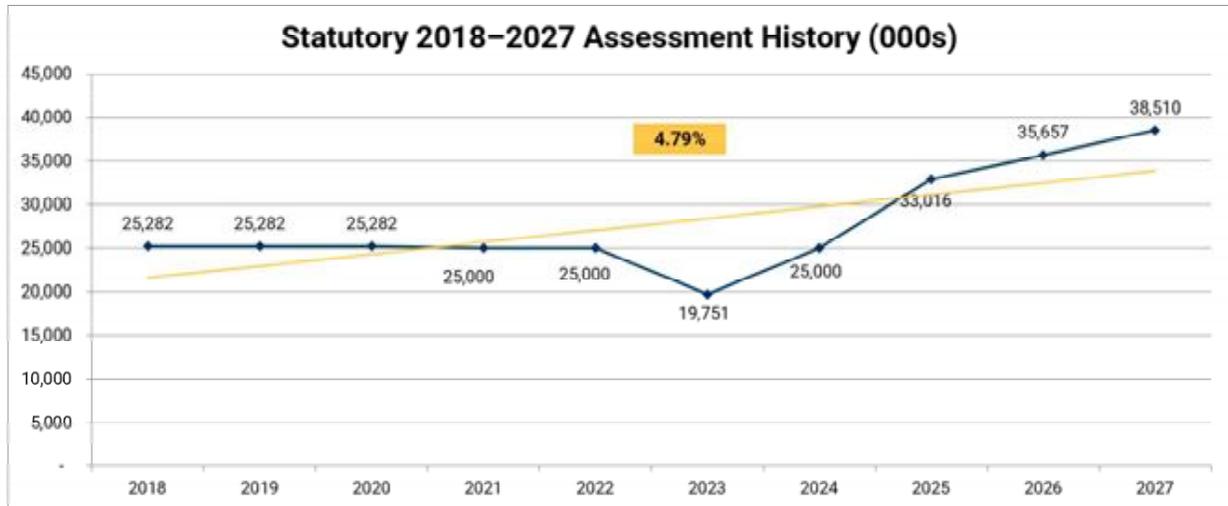


<Public>

10-Year Statutory Budget and Assessments Trend



WECC’s 2027 budget increases 5.5% from 2026. Over the past decade, budget increases have varied depending on the operating environment and business needs each year, and the average annual increase is 5.1% over that period.



Before 2025, assessments were stable, with seven of the last ten years being approximately \$25 million or less. When annualized over the past decade, the average assessment increase is 4.8%. The availability of penalties to offset assessments in that seven-year period created a scenario in which assessments did not fully fund the annual budgets for many years. In the current draft budget for 2027, the use of both Peak Donation Reserves and working capital reserves is proposed to offset assessment increases and fund projects that will contribute to BPS risk mitigation.

<Public>

Non-Statutory Budget Introduction

The Western Renewable Energy Generation Information System (WREGIS), WECC's only non-statutory program, is an independent, web-based tracking system for renewable energy certificates (REC), predominantly in the Western Interconnection, and has been housed at WECC since 2006. WREGIS is funded through activity-based fees charged to its users. Although aligned with WECC's commitment to resource neutrality and interconnection-wide perspective, WREGIS's core activities are not part of WECC's core statutory business functions and are, therefore, considered non-statutory.

Over the last decade, the use of renewable energy and the need to have reliable, credible information for regulatory compliance and voluntary renewable usage has increased. States and provinces across North America are increasing both the amount of renewable energy they are requiring and the ways in which they count this energy for regulatory purposes. Current and proposed legislation around the West anticipates the increased use of renewable energy through the end of the decade and beyond. The WREGIS budget assumes that increased renewable energy penetration will drive increased utilization of WREGIS.

In addition, the 2027 budget is a transition year to an eventual separation of WREGIS into an independent company. This transition is expected to take place after the completion of Phase 2 software development work and is projected for January 1, 2028.

WREGIS's web-based tracking system currently operates using a third-party software solution. In October 2024, CleanCounts, the software provider since November 2022, notified WECC that it would not renew its software agreement with WECC at the end of the agreement's term, December 31, 2027.

The expiration of WECC's software agreement with CleanCounts created an opportunity for WECC and its board to evaluate how WREGIS can best meet the needs of its users and the programs it serves in the future. Following a significant review of potential paths forward, the long-term decision is that developing custom software and separating WREGIS from WECC is the best path forward.

At the direction of WECC's board, an RFP was issued and Atomic Object was selected to create a greenfield attribute tracking software that is accurate, effortless, and empowering – a tool that saves time, reduces stress, builds trust, and provides users with a seamless experience. The software development project commenced in late 2025 and WECC anticipates that Phase 2 of the software development project will be completed by the middle of 2027. All expenditures incurred for both the software development and the establishment of the new entity will be funded by non-statutory program revenue and reserves.

WREGIS's 2027 draft budget is \$6.75 million and is increasing approximately \$2.1 million (45.5%) from 2026. The major drivers of the proposed net budget increase from 2026 are three full-time equivalent (FTE) additions, the conversion of some positions budgeted in 2026 to more highly compensated roles (CEO and two developers), consulting, and software development costs for Phase 2.

While the increase is significant over the 2026 non-statutory budget, it is important to note that the 2027 budget includes both the CleanCounts software licensing fees and an overhead allocation, totaling \$2.5 million. Without those expenses, which will not exist in a stand-alone WREGIS, the 2027

<Public>

budget would have been \$4.5 million, which is on par with our current projections for first-year operations as a stand-alone entity.

User fees in 2027 increase \$820,000 (24.2%) to \$4.2 million due to the consistent year-over-year increases in activity levels in the system. The 2027 budget for user fees is 14% higher than 2025 actual user fee revenue. See the revenue chart on page 6.

Non-statutory working capital reserves are anticipated to be approximately \$3.6 million by December 31, 2026. Per this draft of the 2027 WREGIS budget, management proposes using approximately \$2.4 million of non-statutory working capital reserves to fund the 2027 budget.

Comparison of 2026 to 2027 and 2027 to 2028 Non-Statutory Budget

	2026 Budget	2027 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	2027 Budget	2028–YR 1 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)
Funding								
User Fees	\$ 3,385,000	\$ 4,205,240	\$ 820,240	24.2%	\$ 4,205,240	\$ 4,457,554	\$ 252,314	6.0%
Other Income	182,500	127,500	(55,000)	-30.1%	127,500	100,000	(27,500)	-21.6%
Total Funding	\$ 3,567,500	\$ 4,332,740	\$ 765,240	21.5%	\$ 4,332,740	\$ 4,557,554	\$ 224,814	5.2%
Expenses								
Personnel Expenses	\$ 1,788,183	\$ 2,602,867	\$ 814,684	45.6%	\$ 2,602,867	\$ 3,185,776	\$ 582,909	22.4%
Meeting Expenses	51,480	50,785	(695)	-1.4%	50,785	105,000	54,215	106.8%
Operating Expenses	1,347,972	1,469,263	121,291	9.0%	1,469,263	1,025,320	(443,943)	-30.2%
Indirect Expenses	1,437,341	1,688,276	250,935	17.5%	1,688,276	-	(1,688,276)	-100.0%
Total Expenses	\$ 4,624,976	\$ 5,811,191	\$ 1,186,215	25.6%	\$ 5,811,191	\$ 4,316,096	\$ (1,495,095)	-25.7%
Fixed Assets	\$ 12,884	\$ 936,653	\$ 923,769	7169.9%	\$ 936,653	\$ -	\$ (936,653)	-100.0%
Total Budget	\$ 4,637,860	\$ 6,747,844	\$ 2,109,984	45.5%	\$ 6,747,844	\$ 4,316,096	\$ (2,431,748)	-36.0%
Change in Working Capital	\$ (1,070,360)	\$ (2,415,104)	\$ (1,344,744)		\$ (2,415,104)	\$ 241,458	\$ 2,656,562	
FTEs	16.0	19.0	3.0	18.8%	19.0	19.0	0.0	0.0%

Between 2026 and 2027, WREGIS is funding its software development project, staffing up, and getting systems in place for a January 1, 2028, separation from WECC. In late 2025, a preliminary Year-1 stand-alone budget was prepared to estimate costs for the first year of operations for the new organization. That preliminary stand-alone budget has been refined during this budget cycle and is noted above as 2028–YR 1. The WREGIS budget decreases \$2.4 million between 2027 and 2028 due to the elimination of software licensing fees for the current software and the overhead allocation from WECC and as of this draft, WREGIS will be cash flow positive in YR 1. The first draft of the YR 1 budget last fall was \$900,000 higher than the current draft mostly due to the refinement of personnel – both headcount and cost.

Proposed Non-Statutory FTE Additions in 2027

In the 2027 budget, WREGIS is adding 3.0 statutory FTEs in the last quarter of the year in preparation for the anticipated January 1, 2028, separation from WECC.

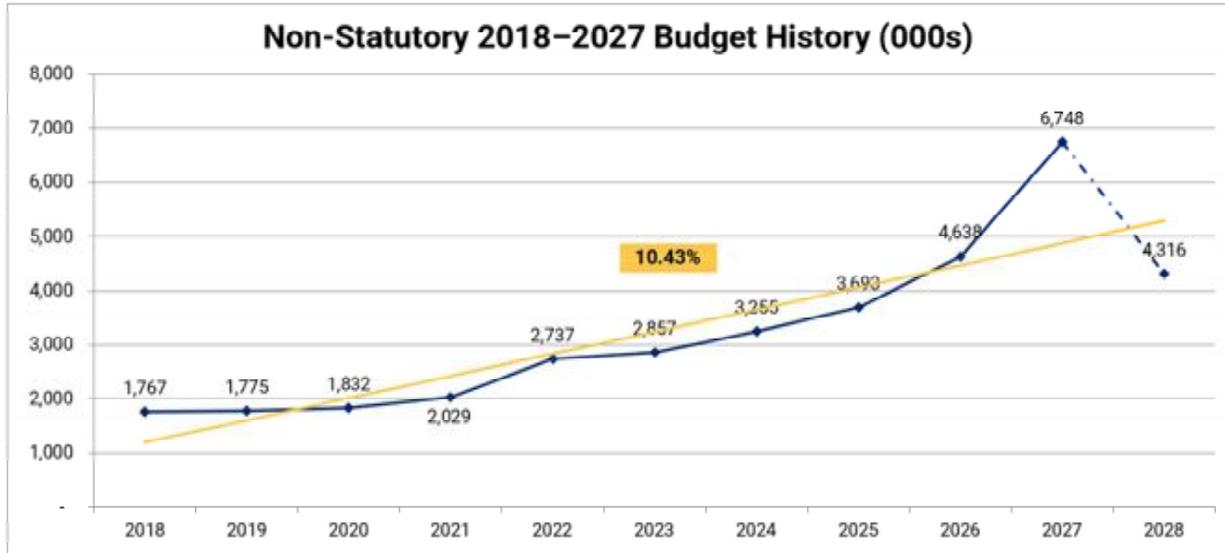
- One accounting role is added to manage the accounting and financial reporting.
- One system administrator is added to maintain the IT resources and focus on system maintenance, performance monitoring, user management, and troubleshooting.



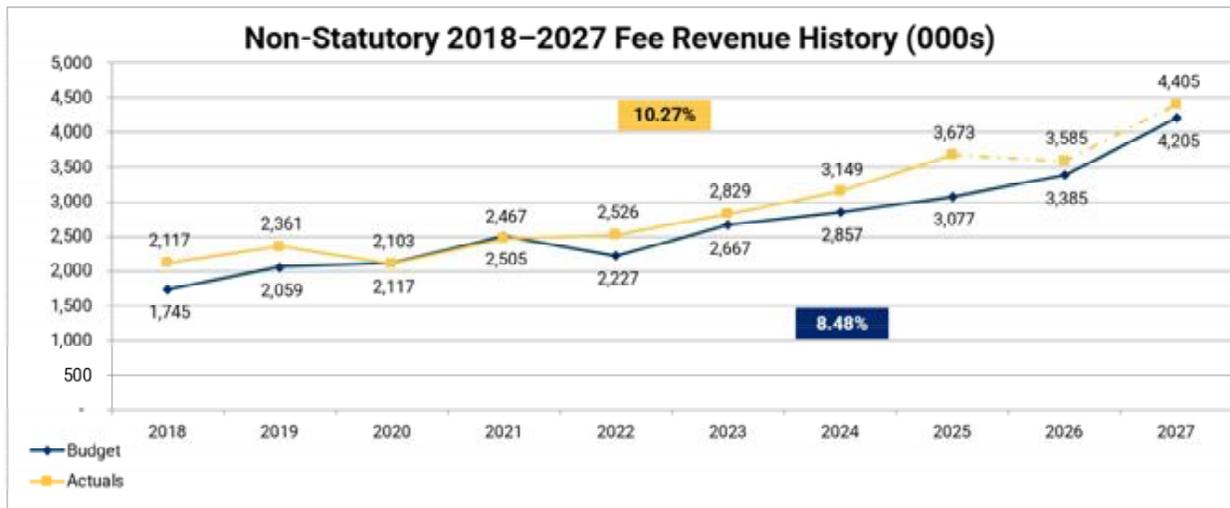
<Public>

- One marketing and communications role is added to plan, create, and deliver promotional materials, digital content, and communication strategies to increase engagement and brand awareness.

10-Year Budget and Revenue Trend



WREGIS's 2027 budget increases 45.5% from 2026 and, based on current 2028 estimates, drops 36% from 2027 in the first year it is a stand-alone organization. Over the past decade, budget increases have varied depending on the operating environment, system volumes, and business needs each year, and the average annual increase is 10.43% over that period, including the draft budget for 2028. Prior to 2027, the 10-year average was 11.5%.



<Public>

This chart provides 10 years of fee revenue budget data and eight years of actual fee revenue data (with conservative estimates for 2026 and 2027, and projections for 2028) to provide insights into the trending of both. When annualized over the past decade, the average increase for the budget is 8.48% and actual fee revenue is trending higher at average growth of 10.27% per year.





2027 Business Plan and Budget

Approved by: WECC Board of Directors

June XX, 2026

Table of Contents

Introduction	1
Organizational Overview.....	1
Membership and Governance.....	2
2027 Strategic Goals	3
2027 Statutory Budget Overview	6
Budget and Funding Summary	6
Major Budget Drivers.....	6
Peak Reliability Donation.....	7
2026 Statutory Budget and Projection and 2027 Budget	8
Monetary Penalties.....	9
Major Budget Drivers – Statutory Programs.....	10
Personnel – Overview of FTEs and Expenses.....	12
Meeting Expenses	14
Consultants and Contracts	15
Overview of Changes in Reserves	16
Three-Year Budget Projections.....	17
Statutory Programs.....	18
Statutory Programs—Goals, Budget Assumptions, and Statements of Activities	19
Reliability Standards.....	19
Compliance Monitoring and Enforcement.....	22
Reliability Assessment and Performance Analysis.....	27
Training and Outreach.....	31
Situation Awareness and Infrastructure Security.....	34
Corporate Services	37
Non-Statutory Program.....	44
2027 Non-Statutory Budget Overview	45
Budget and Funding Summary	45
Major Budget Drivers.....	46
Personnel—Overview of FTEs and Expenses.....	48



Overview of Changes in Reserves	49
Non-Statutory Program—Goals and Budget Assumptions	50
WREGIS.....	50
Appendices.....	53
Appendix A – 2027 Statement of Activities by Program, Statutory and Non-Statutory.....	54
Appendix B – Organizational Chart – Changes in FTE by Program.....	55
Appendix C – Adjustment to the Alberta Electric System Operator (AESO) Assessment.....	56
Appendix D – Statutory and Non-Statutory Budget History Charts.....	57



Introduction

TOTAL RESOURCES (in whole dollars)				
	2027 Budget	U.S.	Canada	Mexico
Statutory FTEs*	187.0			
Non-statutory FTEs	19.0			
Total FTEs	206.0			
Statutory Budget	\$ 42,327,680			
Non-Statutory Budget	\$ 6,747,844			
Total Expenses	\$ 49,075,525			
Statutory Assessments	\$ 38,509,861	31,765,266	3,892,014	-
Non-Statutory Fees	\$ 4,332,740	3,449,640	841,048	42,052
NEL**	-			-
NEL%	0.0%	0.0%	0.0%	0.0%

*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 WECC's Bylaws. WECC executes its mission while working with a broad stakeholder community 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.
- Targeted training, outreach, and engagement to better educate and inform stakeholders about current and emerging risks to the reliability of BPS and 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 on 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 assure decision-makers that they have an independent partner to rely on.
5. People: WECC's highly skilled and engaged employees are champions for reliability.

Membership and Governance

WECC has 355 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
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 WECC members, 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)

¹ As of Feb. 23, 2026

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.



- Governance Committee (GC)
- Human Resources and Compensation Committee (HRCC)
- Nominating Committee (NC)

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

- Member Advisory Committee (MAC)
- Reliability Assessment Committee (RAC);
- Reliability Risk Committee (RRC)
- WECC Standards Committee (WSC)

2027 Strategic Goals

The electric industry continues to undergo 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 risks 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. WECC strategically engages with stakeholders thoughtfully and intentionally 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 and approved in December 2024. WECC's Long-term Strategy identifies 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 2027 and beyond.

Additionally, in conjunction with the WECC Reliability Risk Committee, a risk management program was created in 2023 to provide a structured approach to address known and emerging reliability and security risks within the Western Interconnection. With input from stakeholders, this process allows for risks to be identified, prioritized, monitored, and mitigated to help improve reliability and security.

The process was created using the principles found in the ISO 31000 Risk Management Process. Using these principles, a customized process was developed to fit with the core activities already established at WECC and with the industry. This customized approach:

- Provides a structured framework for WECC to prioritize efforts in addressing risks and monitor the effectiveness of those actions.
- Avoids duplication of known work and provides WECC the ability to build on the successes of others by becoming involved and partnering with other organizations and industry experts.



- Provides a necessary feedback process for any additional prioritization or mitigation efforts needed and overall program improvements.

The Western Interconnection Risk Register can be found [here](#).

ERO Enterprise

Electricity is a vital component of the fabric of modern society and the ERO Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of NERC and the six Regional Entities, works with users, owners, and operators of the BPS, government partners, and other stakeholders and industry participants, to pursue its mission of ensuring 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 September 2024, the WECC board acknowledged the [ERO Enterprise Long-Term Strategy](#) as a valuable input to the WECC strategic planning process and recognized it as beneficial collaboration between 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 regularly 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 specific to WECC that is 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.



2027 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 (AI), and the proliferation of data centers and other technologies, with their accompanying large demand for electricity. The 2027 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. Given the rapidly evolving state of AI, this budget assumes status quo relating to process improvements. Any potential efficiencies gained due to WECC's 2026 adoption of AI are not assumed here.

Budget and Funding Summary

WECC's proposed 2027 statutory budget is \$42,328,000, a \$2,195,000 (5.47%) increase from the 2026 statutory budget. This increase includes a one-time \$1,000,000 consulting expenditure for a gas-electric interdependence study funded with Peak Reliability Donation reserves. The budget increase excluding that expenditure is 2.98%.

WECC's proposed statutory assessment is \$38,510,000, a \$2,853,000 (8.0%) increase over the 2026 statutory assessment. Major drivers of the increase in budgeted expenditures are outlined below. 2027 funding includes the use of working capital reserves of \$1,063,000, Peak Donation reserves of \$1,145,000, and \$1,610,000 of other income.

Major Budget Drivers

Personnel Expenses

- Nine new full-time equivalents (FTE) to support increasing demands on the organization:
 - Seven FTEs are added in CMEP in response to the downstream increase of all related work from new registrants and to build improved depth and breadth of skillsets.
 - Two FTEs are added in information technology, an AI analyst to support the effective deployment of AI at WECC, and a business reporting analyst to help transform data into actionable insights.
- 4% merit and 1% market adjustment pools
- Refinement of payroll tax and benefits enrollment rates and premiums

Operating Expenses

- Consulting increases to support a one-time gas-electric study to help identify risks to the BPS related to the interdependency between natural gas infrastructure and generators, which will be largely funded with Peak Donation Reserves.



Indirect Expenses

- The overhead allocation to the non-statutory program increases \$251,000 due to increases in non-statutory FTEs and increases in Corporate Services expenses.

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, with \$300,000 held back for a period of five years to pay any Peak bills that may be presented following Peak's formal closure on December 31, 2020. The holdback period ended at the end of 2025, and the holdback amount was converted from non-statutory to statutory reserves in 2026, where the remainder of the donation is accounted for.

Proposed projects are vetted with the executive team and stakeholders via targeted outreach, technical committees, and the Business Plan and Budget (BP&B) process.

In 2027, WECC proposes using \$1,145,000 of Peak Donation Reserves to fund a gas–electric interface study, AI projects, and data management projects, all of which would contribute a better understanding of reliability in the West and the advancement of our analytical capabilities.

In 2026, WECC intends to use some of the Peak Donation Reserves to fund further data management capabilities and our initial AI infrastructure and some initiatives, which will advance our analytical capabilities and effectiveness related to mitigating risks to reliability in the West. WECC does anticipate spending the remaining \$1,370,000 of Peak Donation Reserves by the end of 2027.



2026 Statutory Budget and Projection and 2027 Budget

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget & Projection, and 2027 Budget						
STATUTORY						
	2026 Budget	2026 Projection	Variance 2026 Budget v 2026 Projection Over(Under)	2027 Budget	Budget Variance (\$)	Budget Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ 35,657,280	\$ 35,657,280	\$ -	\$ 38,509,861	\$ 2,852,581	8.00%
Penalties Released ¹	41,745	41,745	\$ -	-	\$ (41,745)	-100.00%
Total Statutory Funding	\$ 35,699,025	\$ 35,699,025	\$ -	\$ 38,509,861	\$ 2,810,836	7.87%
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	-	\$ -	
Services & Software	-	\$ -	\$ -	-	\$ -	
Workshops & Miscellaneous	757,500	757,500	\$ -	830,303	\$ 72,803	9.61%
Interest	1,000,006	1,000,006	\$ -	780,000	\$ (220,006)	-22.00%
Total Revenue (A)	\$ 37,456,531	\$ 37,456,531	\$ -	\$ 40,120,164	\$ 2,663,633	7.11%
Expenses						
Personnel Expenses						
Salaries	\$ 26,016,824	\$ 26,016,824	\$ -	\$ 27,013,850	\$ 997,026	3.83%
Payroll Taxes	1,577,297	1,577,297	\$ -	1,750,738	\$ 173,441	11.00%
Benefits	2,986,868	2,986,868	\$ -	3,262,396	\$ 275,528	9.22%
Retirement Costs	2,071,272	2,071,272	\$ -	2,153,991	\$ 82,719	3.99%
Total Personnel Expenses	\$ 32,652,261	\$ 32,652,261	\$ -	\$ 34,180,975	\$ 1,528,714	4.68%
Meeting Expenses						
Meetings & Conference Calls	\$ 611,168	\$ 611,168	\$ -	\$ 673,206	\$ 62,038	10.15%
Travel	1,043,960	1,043,960	\$ -	1,181,464	\$ 137,504	13.17%
Total Meeting Expenses	\$ 1,655,128	\$ 1,655,128	\$ -	\$ 1,854,670	\$ 199,542	12.06%
Operating Expenses, Excluding Depreciation						
Consultants & Contracts	\$ 1,495,400	\$ 1,495,400	\$ -	\$ 2,260,800	\$ 765,400	51.18%
Office Rent	1,326,433	1,326,433	\$ -	1,324,151	\$ (2,282)	-0.17%
Office Costs	2,964,652	2,964,652	\$ -	2,836,226	\$ (128,426)	-4.33%
Professional Services	1,367,225	1,367,225	\$ -	1,426,947	\$ 59,722	4.37%
Miscellaneous	-	-	\$ -	-	\$ -	
Total Operating Expenses	\$ 7,153,710	\$ 7,153,710	\$ -	\$ 7,848,124	\$ 694,414	9.71%
Total Direct Expenses	\$ 41,461,099	\$ 41,461,099	\$ -	\$ 43,883,769	\$ 2,422,670	5.84%
Indirect Expenses	\$ (1,437,341)	\$ (1,437,341)	\$ -	\$ (1,688,276)	\$ (250,935)	17.46%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ (1)	
Total Expenses (B)	\$ 40,023,758	\$ 40,023,758	\$ -	\$ 42,195,493	\$ 2,171,734	5.43%
Change in Net Assets (=A-B)	\$ (2,567,227)	\$ (2,567,227)	\$ -	\$ (2,075,329)	\$ 491,899	-19.16%
Fixed Asset Additions, Excluding Right of Use Assets (C)	\$ 109,116	\$ 109,116	\$ -	\$ 132,187	\$ 23,071	21.14%
TOTAL BUDGET (B+C)	\$ 40,132,874	\$ 40,132,874	\$ -	\$ 42,327,680	\$ 2,194,806	5.47%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (2,676,343)	\$ (2,676,343)	\$ -	\$ (2,207,516)	\$ 468,828	-17.52%
FTEs	178.00	178.00	-	187.00	9.00	5.06%
HC	178.00	178.00	-	187.00	9.00	5.06%

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, 2026, will be used to offset assessments in the 2027 WECC budget.

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

WECC collected \$XX in penalty monies between July 1, 2025, and June 30, 2026, to offset assessments for 2027.

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 (RAPA)
- Training and Outreach
- 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 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 947,690	\$ 954,865	\$ 7,175	0.76%
Compliance Monitoring and Enforcement and Organization Registration and Certification	23,077,423	24,271,106	1,193,683	5.17%
Reliability Assessment and Performance Analysis	12,313,881	13,588,010	1,274,129	10.35%
Training and Outreach	3,181,402	2,893,048	(288,354)	(9.06%)
Situation Awareness and Infrastructure Security	612,478	620,651	8,173	1.33%
Total*	\$ 40,132,874	\$ 42,327,680	\$ 2,194,806	5.47%

*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

- Seven new FTEs are added to the CMEP budget.
 - Four auditors are added due to increases in activity due to monitoring of new registrants and anticipated increases in expectations from NERC and FERC.
 - One risk assessment engineer is added to assist in oversight planning and analysis activities.
 - Two compliance program coordinators are added due to increased activities across registration and certification, entity monitoring, and enforcement due to new registrants.
- A budgeted 4% merit pool, 1% market adjustment pool, 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.

Reliability Assessment and Performance Analysis

Personnel Expenses

- A budgeted 4% merit pool, 1% market adjustment pool, 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 a gas–electric interdependence study, which will be funded by Peak Donation Reserves.



Training and Outreach

Personnel Expenses

- One FTE is transferred to Corporate Services to align costs more closely with the position’s scope of work.
- The allocation of a half of an FTE from Corporate Services to Training and Outreach stopped in 2026 to align costs more closely with the position’s scope of work.
- A budgeted 4% merit pool, 1% market adjustment pool, 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.

Situation Awareness and Infrastructure Security

- No major budget drivers in this area.

Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2026 Budget	2027 Budget	Increase (Decrease)	FTEs 2026 Budget	FTEs 2027 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,325,595	\$ 6,389,780	\$ 64,185	17.50	19.00	1.50
Legal and Regulatory	\$ 1,273,986	\$ 1,206,507	\$ (67,479)	4.00	4.00	-
Information Technology	\$ 4,177,585	\$ 4,646,443	\$ 468,858	14.00	16.00	2.00
Human Resources	\$ 1,200,673	\$ 1,378,654	\$ 177,981	4.00	4.00	-
Accounting and Finance	\$ 753,974	\$ 745,677	\$ (8,297)	3.00	3.00	-
Total Corporate Services*	\$ 13,731,813	\$ 14,367,061	\$ 635,248	42.50	46.00	3.50

*WECC’s 2027 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$14,367,061 of which \$1,706,089 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 2027 Corporate Services budget is \$12,660,972, which is a \$379,384 increase from the 2026 budget after direct expense and fixed asset allocations.

Personnel Expenses

- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position’s current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position’s current communications-related responsibilities.
- Two FTEs are added in Information Technology for AI and reporting on data analytics to increase process efficiencies and expand data and reporting capabilities.
- A budgeted 4% merit pool, 1% market adjustment pool, 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.



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 inverter-based resources (IBR), 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. Additionally, technology enhancements in AI are changing the landscape of how we work and manage our processes. WECC will require additional specific expertise and resources to increase process effectiveness, engage optimally with stakeholders, manage the increasing workload, and minimize risks to the reliability and security of the Western Interconnection. As a result, in the 2027 budget, WECC is adding nine statutory FTEs (with an additional three FTEs in its non-statutory program for a total of 12 FTEs) and realigning some positions within program areas due to work scope, organizational needs, and priorities.

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.



Personnel Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Salaries				
Salaries	\$ 26,016,824	\$ 27,013,850	\$ 997,026	3.8%
Employment Agency Fees	-	-	-	
Temporary Office Services	-	-	-	
Total Salaries	\$ 26,016,824	\$ 27,013,850	\$ 997,026	3.8%
Total Payroll Taxes	\$ 1,577,297	\$ 1,750,738	\$ 173,441	11.0%
Benefits				
Workers Compensation	\$ -	\$ -	\$ -	
Medical Insurance	2,651,047	2,980,537	329,490	12.4%
Life-LTD-STD Insurance	125,545	104,504	(21,041)	(16.8%)
Education	207,277	174,354	(32,923)	(15.9%)
Relocation	-	-	-	
Other	3,000	3,000	-	0.0%
Total Benefits	\$ 2,986,869	\$ 3,262,395	\$ 275,526	9.2%
Retirement				
Discretionary 401(k) Contribution	\$ 2,071,272	\$ 2,153,990	\$ 82,718	4.0%
Retirement Administration Fees	30,000	-	(30,000)	
Total Retirement	\$ 2,101,272	\$ 2,153,990	\$ 52,718	2.5%
Total Personnel Costs	\$ 32,682,262	\$ 34,180,973	\$ 1,498,711	4.6%
FTEs	178.0	187.0	9.0	5.1%
Cost per FTE				
Salaries	\$ 146,162	\$ 144,459	\$ (1,703)	(1.2%)
Payroll Taxes	8,861	9,362	501	5.7%
Benefits	16,780	17,446	666	4.0%
Retirement	11,805	11,519	(286)	(2.4%)
Total Cost per FTE	\$ 183,608	\$ 182,786	\$ (822)	(0.4%)

Explanation of Significant Variances

- FTEs increase by nine. (More detailed information is presented in [Major Budget Drivers—Statutory Programs](#))
- Merit pool of 4%
- Market adjustment pool of 1%
- Payroll tax and benefits cost refinement
- Benefits enrollment rate refinement



Meeting Expenses

Meeting & Conference Call Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	
Reliability Assessment and Performance Analysis	16,746	29,136	12,390	74.0%
Training and Outreach	501,120	546,494	45,374	9.1%
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	93,302	97,576	4,274	4.6%
Total Meeting Expenses	\$ 611,168	\$ 673,206	\$ 62,038	10.2%

Travel Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 17,378	\$ 20,115	\$ 2,737	15.7%
Compliance Monitoring and Enforcement and Organization Registration and Certification	589,330	639,690	50,360	8.5%
Reliability Assessment and Performance Analysis	206,301	200,565	(5,736)	(2.8%)
Training and Outreach	31,846	38,985	7,139	22.4%
Situation Awareness and Infrastructure Security	10,849	13,915	3,066	28.3%
Corporate Services	188,256	268,194	79,938	42.5%
Total Travel Expenses	\$ 1,043,960	\$ 1,181,464	\$ 137,504	13.2%

Explanation of Significant Variances

Corporate Services

- Travel increases due to off-site costs for WECC Week, which brings all employees together for in-person meetings, strategy alignment, training, collaboration, and team building.



Consultants and Contracts

Consultants	Budget 2026	Budget 2027	Variance \$	Variance %
Consultants				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	12,000	6,000	(6,000)	(50.0%)
Reliability Assessment and Performance Analysis	318,400	1,124,400	806,000	253.1%
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	463,000	428,400	(34,600)	(7.5%)
Consultants Total	\$ 793,400	\$ 1,558,800	\$ 765,400	96.5%

Contracts	Budget 2026	Budget 2027	Variance \$	Variance %
Contracts				
Reliability Standards	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	702,000	702,000	-	0.0%
Reliability Assessment and Performance Analysis	-	-	-	
Training and Outreach	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	
Corporate Services	-	-	-	
Contracts Total	\$ 702,000	\$ 702,000	\$ -	0.0%
Total Consulting and Contracts	\$ 1,495,400	\$ 2,260,800	\$ 765,400	51.2%

Explanation of Significant Variances

Reliability Assessment and Performance Analysis

- Consulting increases due to a gas–electric interdependence study.



Overview of Changes in Reserves

Working Capital Reserve Analysis				
STATUTORY				
	Total	Working Capital Reserve	Unreleased Penalties	Peak Reliability Donation
Beginning Reserves, January 1, 2026	\$ 12,800,071	\$ 11,503,295	\$ 41,745	\$ 1,255,031
Plus: 2026 Funding (from Load-Serving Entities (LSE) or designees)	35,657,280	35,657,280	-	-
Plus: Penalties released	-	41,745	(41,745)	-
Plus: Penalties received	-	-	-	-
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)
Projected Reserves (Deficit), December 31, 2026	\$ 10,393,983	\$ 9,026,952	\$ -	\$ 1,367,031
Plus: 2027 Funding (from Load-Serving Entities (LSE) or designees)	38,509,861	38,509,861	-	-
Plus: Penalties released	-	-	-	-
Plus: 2027 Other funding sources	1,610,303	1,610,303	-	-
Less: 2027 Projected expenses & capital expenditures	(42,327,680)	(41,182,680)	-	(1,145,000)
2027 Increase(Decrease) in Reserves	\$ (2,207,516)	(1,062,516)	\$ -	\$ (1,145,000)
Projected Reserves, December 31, 2027	\$ 8,186,467	\$ 7,964,436	\$ -	\$ 222,031
2027 Expenses and Capital Expenditures	42,327,680	-	-	-
Less: Penalties Released	-	-	-	-
Less: Other Funding Sources	(1,610,303)	-	-	-
Change to Working Capital & Peak Reliability Donation Reserves	(2,207,516)	-	-	-
2027 WECC Assessment	\$ 38,509,861	-	-	-

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 2027, reserves are being used to fund a portion of the budget. Working capital reserves of \$1,063,000 are funding budgeted expenditures, and \$1,145,000 of the Peak Reliability Donation reserves are funding the gas–electric interdependence study, AI projects to benefit analytical capabilities, and data management projects.

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 ended at the end of 2025, and the remaining holdback amount plus interest of approximately \$312,000 was converted from non-statutory to statutory reserves through the 2026 Business Plan and Budget cycle and will be used to fund reliability and security projects in the future.

WECC received \$XX in penalty sanctions between July 1, 2025, and June 30, 2026, that offset assessments in 2027. 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 2027 Budget & Projected 2028 and 2029 Budgets							
Statutory							
	2027 Budget	2028 Projection	\$ Change 27 v 28	% Change 27 v 28	2029 Projection	\$ Change 27 v 28	% Change 27 v 28
Revenue							
Statutory Funding							
WECC Assessments	\$ 38,509,861	\$ 41,590,650	\$ 3,080,789	8.0%	\$ 44,818,866	\$ 3,228,216	7.8%
Penalties Released	-	-	-		-	-	
Total Statutory Funding	\$ 38,509,861	\$ 41,590,650	\$ 3,080,789	8.0%	\$ 44,818,866	\$ 3,228,216	7.8%
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -	
Workshops & Miscellaneous	830,303	573,566	(256,737)	(30.9%)	723,566	150,000	26.2%
Interest	780,000	750,000	(30,000)	(3.8%)	700,000	(50,000)	(6.7%)
Total Revenue (A)	\$ 40,120,164	\$ 42,914,216	\$ 2,794,052	7.0%	\$ 46,242,432	\$ 3,328,216	7.8%
Expenses							
Personnel Expenses							
Salaries	\$ 27,013,850	\$ 28,483,360	\$ 1,469,510	5.4%	\$ 29,948,017	\$ 1,464,657	5.1%
Payroll Taxes	1,750,738	1,847,865	97,127	5.5%	1,943,720	95,855	5.2%
Benefits	3,262,396	3,468,368	205,972	6.3%	3,707,115	238,747	6.9%
Retirement Costs	2,153,991	2,270,962	116,971	5.4%	2,387,762	116,800	5.1%
Total Personnel Expenses	\$ 34,180,975	\$ 36,070,555	\$ 1,889,580	5.5%	\$ 37,986,614	\$ 1,916,059	5.3%
Meeting Expenses							
Meetings & Conference Calls	\$ 673,206	\$ 410,400	\$ (262,806)	(39.0%)	\$ 676,870	\$ 266,470	64.9%
Travel	1,181,464	1,206,285	24,821	2.1%	1,153,284	(53,001)	(4.4%)
Total Meeting Expenses	\$ 1,854,670	\$ 1,616,685	\$ (237,985)	(12.8%)	\$ 1,830,154	\$ 213,469	13.2%
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$ 2,260,800	\$ 486,400	\$ (1,774,400)	(78.5%)	\$ 527,400	\$ 41,000	8.4%
Office Rent	1,324,151	1,326,088	1,937	0.1%	1,326,088	-	0.0%
Office Costs	2,836,226	2,862,560	26,334	0.9%	2,911,099	48,539	1.7%
Professional Services	1,426,947	1,485,995	59,048	4.1%	1,561,077	75,082	5.1%
Miscellaneous	-	-	-		-	-	
Total Operating Expenses	\$ 7,848,124	\$ 6,161,043	\$ (1,687,081)	(21.5%)	\$ 6,325,664	\$ 164,621	2.7%
Total Direct Expenses	\$ 43,883,769	\$ 43,848,283	\$ (35,486)	(0.1%)	\$ 46,142,432	\$ 2,294,149	5.2%
Indirect Expenses	\$ (1,688,276)	\$ -	\$ 1,688,276	(100.0%)	\$ -	\$ -	
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	
Total Expenses (B)	\$ 42,195,493	\$ 43,848,283	\$ 1,652,789	3.9%	\$ 46,142,432	\$ 2,294,149	5.2%
Change in Assets	\$ (2,075,329)	\$ (934,067)	\$ 1,141,263	(55.0%)	\$ 100,000	\$ 1,034,067	(110.7%)
Fixed Assets							
Incr(Dec) in Fixed Assets (C)	\$ 132,187	\$ 50,000	\$ (82,187)	(62.2%)	\$ 100,000	\$ 50,000	100.0%
TOTAL BUDGET (B+C)	\$ 42,327,680	\$ 43,898,283	\$ 1,570,602	3.7%	\$ 46,242,432	\$ 2,344,149	5.3%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	(2,207,516)	(984,067)	1,223,450	(55.4%)	\$ (0)	\$ 984,067	(100.0%)
FTEs	187.00	190.00	3.00	1.6%	191.00	1.00	0.5%
HC	187.00	190.00	3.00	1.6%	191.00	1.00	0.5%

Due to the separation of WREGIS from WECC in 2028 (see 2027 Non-Statutory Budget Overview) there will be no overhead allocation to the non-statutory program from 2028 forward. The termination of the overhead allocation increases the statutory budget by \$1.6 million from 2027 to 2028.



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 its Reliability Standards projects as high, medium, or low priority. Several high priority projects were completed in 2025, and the remaining high priority projects are expected to be completed in 2026. Several of these projects are related to IBRs and their potential impact on the BES. Medium and low priority projects are expected to be worked on as time permits in 2026 or 2027.

2027 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.
- The NERC board of trustees approved the recommendations of the Modernization of Standards Processes and Procedures Task Force (MSPPTF) at the February 2026 NERC board meeting. One of the recommendations was to eliminate the NERC Standards Committee (SC) and replace it with a group comprising members of the Reliability Issues Steering Committee (RISC) or a subcommittee of the RISC. The work to incorporate this recommendation will most likely take 12 to 18 months. Once this is complete, WECC will no longer be involved with the NERC SC but will still be involved with future NERC Standards development.
- All Regions are expected to be invited to participate in an ERO-wide effort to coordinate standards assumptions and development.
- 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. Effort is underway to develop a new Regional Criterion to identify how Western Interconnection Generator Owners and Operators will conduct electromagnetic transient (EMT) modeling and assessments. A standards authorization request (SAR) is expected to be submitted in February 2026 and work will likely continue through 2027.
- 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.

2027 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 RRSs and Regional Criteria are developed 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 ensure their content and quality continues to meet the reliability needs of the interconnection.
- Evaluate audit, enforcement, and event analysis information to determine whether new RRSs or revisions are necessary.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Reliability Standards Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital				
2026 Budget and 2027 Budget				
RELIABILITY STANDARDS				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 855,914	\$ 881,586	\$ 25,672	3.00%
Penalties Released	924	-	\$ (924)	-100.00%
Total Statutory Funding	\$ 856,838	\$ 881,586	\$ 24,748	2.89%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	5,513	6,884	\$ 1,371	
Interest	22,140	16,596	\$ (5,544)	-25.04%
Total Revenue (A)	\$ 884,491	\$ 905,066	\$ 20,575	2.33%
Expenses				
Personnel Expenses				
Salaries	\$ 538,597	\$ 540,617	\$ 2,020	0.38%
Payroll Taxes	31,969	34,416	\$ 2,447	7.65%
Benefits	42,986	45,330	\$ 2,344	5.45%
Retirement Costs	43,088	43,249	\$ 161	0.37%
Total Personnel Expenses	\$ 656,640	\$ 663,612	\$ 6,972	1.06%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	17,378	20,115	\$ 2,737	15.75%
Total Meeting Expenses	\$ 17,378	\$ 20,115	\$ 2,737	15.75%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	1,755	1,755	\$ -	0.00%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 1,755	\$ 1,755	\$ -	0.00%
Total Direct Expenses	\$ 675,773	\$ 685,482	\$ 9,709	1.44%
Indirect Expenses	\$ 269,501	\$ 266,570	\$ (2,931)	-1.09%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 945,274	\$ 952,052	\$ 6,778	0.72%
Change in Net Assets (=A-B)	\$ (60,783)	\$ (46,986)	\$ 13,797	-22.70%
Fixed Assets, excluding Right of Use Assets (C)	\$ 2,416	\$ 2,813	\$ 397	\$ 0
TOTAL BUDGET (B+C)	\$ 947,690	\$ 954,865	\$ 7,175	0.76%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (63,199)	\$ (49,799)	\$ 13,400	-21.20%
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 485³ 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
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
- Targeted outreach activities

³ As of February 21, 2026.



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.

2027 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).
- WECC will contribute funding to support the Align and Secure Evidence Locker refresh.
- 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.
- One risk assessment engineer is added to assist in oversight planning and analysis activities.
- Two compliance program coordinators are added due to increased activities across registration and certification, entity monitoring, and enforcement due to increased risk to the BPS and processing efficiency.
- Four auditors are added in entity monitoring in response to the growing number of new registrations and level of risks in the Western Interconnection including resource adequacy concerns, emergency preparedness for extreme weather and wildfires, and the changing resource mix.

2027 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 regular 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 and registrations.
- 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Compliance Monitoring and Enforcement Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget				
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 20,785,916	\$ 22,332,196	\$ 1,546,280	7.44%
Penalties Released	24,339	-	\$ (24,339)	-100.00%
Total Statutory Funding	\$ 20,810,255	\$ 22,332,196	\$ 1,521,941	7.31%
Membership Fees	-	-	-	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	145,173	197,354	\$ 52,181	
Interest	583,029	475,745	\$ (107,284)	-18.40%
Total Revenue (A)	\$ 21,538,457	\$ 23,005,295	\$ 1,466,838	6.81%
Expenses				
Personnel Expenses				
Salaries	\$ 11,513,585	\$ 11,944,021	\$ 430,436	3.74%
Payroll Taxes	710,244	785,443	\$ 75,199	10.59%
Benefits	1,130,885	1,258,341	\$ 127,456	11.27%
Retirement Costs	915,811	951,833	\$ 36,022	3.93%
Total Personnel Expenses	\$ 14,270,525	\$ 14,939,638	\$ 669,113	4.69%
Meeting Expenses				
Meetings & Conference Calls	-	-	-	
Travel	589,330	639,690	\$ 50,360	8.55%
Total Meeting Expenses	\$ 589,330	\$ 639,690	\$ 50,360	8.55%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 714,000	\$ 708,000	\$ (6,000)	-0.84%
Office Rent	-	-	-	
Office Costs	343,085	261,484	\$ (81,601)	-23.78%
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses	\$ 1,057,085	\$ 969,484	\$ (87,601)	-8.29%
Total Direct Expenses	\$ 15,916,940	\$ 16,548,812	\$ 631,872	3.97%
Indirect Expenses	\$ 7,096,866	\$ 7,641,670	\$ 544,804	7.68%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 23,013,806	\$ 24,190,482	\$ 1,176,676	5.11%
Change in Net Assets (=A-B)	\$ (1,475,349)	\$ (1,185,187)	\$ 290,162	-19.67%
Fixed Assets				
Fixed Assets, excluding Right of Use Assets (C)	\$ 63,617	\$ 80,624	\$ 17,007	\$ 0
TOTAL BUDGET (B+C)	\$ 23,077,423	\$ 24,271,106	\$ 1,193,683	5.17%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (1,538,966)	\$ (1,265,811)	\$ 273,155	-17.75%
FTEs	79.00	86.00	7.00	8.86%
HC	79.00	86.00	7.00	8.86%



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 coordination with NERC and Western stakeholders, 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 stakeholders, 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, and 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 partnerships, 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 Reliability Risk Management Program 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.

2027 Key Budget Assumptions

- Executive outreach to stakeholders will continue.
- WECC and technical stakeholder group work will focus on understanding and treating priority reliability and security risks identified through WECC's Risk Management Program.
- 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 and energy adequacy studies through increased stakeholder outreach.
- WECC will expand its readiness assurance program to address priority risks.
- WECC will focus on continuous improvement and development of staff capabilities. Current capabilities will be reviewed and improved to enhance reliability assessments and models.
- WECC and the ERO Enterprise will incorporate transfer capability analysis into reliability assessments.
- Transmission planning activities in the West will expand to incorporate longer-term (greater than 10-year) horizons.
- Reliability challenges associated with IBRs, large loads, 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 required NERC reliability assessments and perform additional reliability assessments as requested.
- No new FTEs are requested in 2027.

2027 Goals and Deliverables

- Work with stakeholders to develop a clear understanding of emerging risks to the BPS and associated mitigation strategies, particularly for priority reliability and security risks identified through WECC's Risk Management Program.
- Ensure high precision of information and models used to assess the reliability of the BPS.
- Hold modeling workshops focused on improving model data quality.



-
- Use advanced tools, techniques, and industry subject matter experts to identify system performance trends and vulnerabilities.
 - Hold reliability and security risk forums.
 - Conduct a one-time gas-electric study to help identify risks to the BPS related to the interdependence between natural gas infrastructure and generators.
 - 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 Program to align staff and stakeholder engagement on risk treatments within the Western Interconnection.
 - Ensure WECC's perspective 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, Regional Criteria, 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 large loads.
 - Implement technology solutions for enhanced data collection, analysis, validation, and storage.
 - Support Reliability Standards drafting activities by providing subject matter expertise to appropriate Standards Drafting Teams.
 - 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.
 - Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Reliability Assessment and Performance Analysis Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget				
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 11,092,619	\$ 12,550,632	\$ 1,458,013	13.14%
Penalties Released	12,939	-	\$ (12,939)	-100.00%
Total Statutory Funding	\$ 11,105,558	\$ 12,550,632	\$ 1,445,074	13.01%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	77,181	96,382	\$ 19,201	
Interest	309,966	232,340	\$ (77,626)	-25.04%
Total Revenue (A)	\$ 11,492,705	\$ 12,879,354	\$ 1,386,649	12.07%
Expenses				
Personnel Expenses				
Salaries	\$ 6,104,030	\$ 6,460,704	\$ 356,674	5.84%
Payroll Taxes	371,857	420,671	\$ 48,814	13.13%
Benefits	600,508	621,448	\$ 20,940	3.49%
Retirement Costs	484,879	514,413	\$ 29,534	6.09%
Total Personnel Expenses	\$ 7,561,274	\$ 8,017,236	\$ 455,962	6.03%
Meeting Expenses				
Meetings & Conference Calls	\$ 16,746	\$ 29,136	\$ 12,390	73.99%
Travel	206,301	200,565	\$ (5,736)	-2.78%
Total Meeting Expenses	\$ 223,047	\$ 229,701	\$ 6,654	2.98%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 318,400	\$ 1,124,400	\$ 806,000	253.14%
Office Rent	-	-	\$ -	
Office Costs	404,321	445,319	\$ 40,998	10.14%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 722,721	\$ 1,569,719	\$ 846,998	117.20%
Total Direct Expenses	\$ 8,507,042	\$ 9,816,656	\$ 1,309,614	15.39%
Indirect Expenses	\$ 3,773,017	\$ 3,731,979	\$ (41,038)	-1.09%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 12,280,059	\$ 13,548,635	\$ 1,268,576	10.33%
Change in Net Assets (=A-B)	\$ (787,354)	\$ (669,281)	\$ 118,073	-15.00%
Fixed Assets				
Fixed Assets, excluding Right of Use Assets (C)	\$ 33,822	\$ 39,375	\$ 5,553	\$ 0
TOTAL BUDGET (B+C)	\$ 12,313,881	\$ 13,588,010	\$ 1,274,129	10.35%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (821,176)	\$ (708,656)	\$ 112,520	-13.70%
FTEs	42.00	42.00	-	0.00%
HC	42.00	42.00	-	0.00%



Training and Outreach

The Training and Outreach Program informs, educates, and interacts directly with stakeholders on a range of topics including risks to reliability, 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 comprises 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 risk-related work of CMEP and RAPA by ensuring effective communications, education opportunities, and timely dialogue on critical reliability and security risks. Strategic Engagement also works with CMEP and RAPA to produce and distribute timely, high-quality analyses addressing reliability and security topics of 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.

2027 Key Budget Assumptions

- WECC will host training and outreach events to inform stakeholder awareness of critical reliability issues, with specific focus on the greatest reliability risks.
- Two Reliability & Security Workshops will be held in-person at off-site locations, one of which will be Salt Lake City, Utah.
- One Grid Fundamentals course will be held in-person at the WECC office.
- Virtual 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.
- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position’s current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position’s current communications-related responsibilities.

2027 Goals and Deliverables

- Implement an engagement strategy focused on addressing the top risks to the reliability and security of the BPS.
- Maintain and continue to cultivate effective relationships with industry groups, WECC technical committees, ERO Enterprise staff, federal, state, and provincial regulators, policy- and decision-makers, and the broader reliability and security community.
- 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 priority reliability and security risks identified through the Risk Management Program.
- Use multimedia, digitally dynamic, and design strategies to develop new, more engaging, forms of products and interactions with stakeholders.
- Improve program processes and tools continuously to respond to stakeholder feedback and 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.
- 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 address reliability and security risks to the Western Interconnection.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Training and Outreach Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget TRAINING AND OUTREACH				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 2,370,248	\$ 2,172,819	\$ (197,429)	-8.33%
Penalties Released	2,927	-	\$ (2,927)	-100.00%
Total Statutory Funding	\$ 2,373,175	\$ 2,172,819	\$ (200,356)	-8.44%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	#DIV/0!
Services & Software	-	-	\$ -	#DIV/0!
Workshops & Miscellaneous	525,958	525,093	\$ (865)	-0.16%
Interest	70,111	44,255	\$ (25,856)	-36.88%
Total Revenue (A)	\$ 2,969,244	\$ 2,742,167	\$ (227,077)	-7.65%
Expenses				
Personnel Expenses				
Salaries	\$ 1,373,830	\$ 1,231,800	\$ (142,030)	-10.34%
Payroll Taxes	81,182	77,724	\$ (3,458)	-4.26%
Benefits	133,268	123,036	\$ (10,232)	-7.68%
Retirement Costs	109,231	98,026	\$ (11,205)	-10.26%
Total Personnel Expenses	\$ 1,697,511	\$ 1,530,586	\$ (166,925)	-9.83%
Meeting Expenses				
Meetings & Conference Calls	\$ 501,120	\$ 546,494	\$ 45,374	9.05%
Travel	31,846	38,985	\$ 7,139	22.42%
Total Meeting Expenses	\$ 532,966	\$ 585,479	\$ 52,513	9.85%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	89,854	58,630	\$ (31,224)	-34.75%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 89,854	\$ 58,630	\$ (31,224)	-34.75%
Total Direct Expenses	\$ 2,320,331	\$ 2,174,695	\$ (145,636)	-6.28%
Indirect Expenses	\$ 853,421	\$ 710,853	\$ (142,568)	-16.71%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 3,173,752	\$ 2,885,548	\$ (288,204)	-9.08%
Change in Net Assets (=A-B)	\$ (204,508)	\$ (143,381)	\$ 61,127	-29.89%
Fixed Assets				
Fixed Assets, excluding Right of Use Assets (C)	\$ 7,650	\$ 7,500	\$ (150)	\$ (0)
TOTAL BUDGET (B+C)	\$ 3,181,402	\$ 2,893,048	\$ (288,354)	-9.06%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (212,158)	\$ (150,881)	\$ 61,277	-28.88%
FTEs	9.50	8.00	(1.50)	-15.79%
HC	9.00	8.00	(1.00)	-11.11%



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.

2027 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.

2027 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.



- 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Situation Awareness and Infrastructure Security Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget				
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ 552,583	\$ 572,628	\$ 20,045	3.63%
Penalties Released	616	-	\$ (616)	-100.00%
Total Statutory Funding	\$ 553,199	\$ 572,628	\$ 19,429	3.51%
Membership Fees	\$ -	\$ -	\$ -	
Federal Grants	-	-	\$ -	
Services & Software	-	-	\$ -	
Workshops & Miscellaneous	3,675	4,590	\$ 915	
Interest	14,760	11,064	\$ (3,696)	-25.04%
Total Revenue (A)	\$ 571,634	\$ 588,282	\$ 16,648	2.91%
Expenses				
Personnel Expenses				
Salaries	\$ 338,501	\$ 342,536	\$ 4,035	1.19%
Payroll Taxes	21,658	23,227	\$ 1,569	7.24%
Benefits	30,592	32,142	\$ 1,550	5.07%
Retirement Costs	27,080	27,403	\$ 323	1.19%
Total Personnel Expenses	\$ 417,831	\$ 425,308	\$ 7,477	1.79%
Meeting Expenses				
Meetings & Conference Calls	\$ -	\$ -	\$ -	
Travel	10,849	13,915	\$ 3,066	28.26%
Total Meeting Expenses	\$ 10,849	\$ 13,915	\$ 3,066	28.26%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	\$ -	
Office Costs	2,520	1,840	\$ (680)	-26.98%
Professional Services	-	-	\$ -	
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 2,520	\$ 1,840	\$ (680)	-26.98%
Total Direct Expenses	\$ 431,200	\$ 441,063	\$ 9,863	2.29%
Indirect Expenses	\$ 179,667	\$ 177,713	\$ (1,954)	-1.09%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 610,867	\$ 618,776	\$ 7,909	1.29%
Change in Net Assets (=A-B)	\$ (39,233)	\$ (30,494)	\$ 8,739	-22.27%
Fixed Assets				
Fixed Assets, excluding Right of Use Assets (C)	\$ 1,611	\$ 1,875	\$ 264	\$ 0
TOTAL BUDGET (B+C)	\$ 612,478	\$ 620,651	\$ 8,173	1.33%
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (40,844)	\$ (32,369)	\$ 8,475	-20.75%
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						
	2026 Budget	2027 Budget	Increase (Decrease)	FTEs 2026 Budget	FTEs 2027 Budget	Increase (Decrease)
Committee and Member Forums	\$ -	\$ -	\$ -	-	-	-
General and Administrative	\$ 6,325,595	\$ 6,389,780	\$ 64,185	17.50	19.00	1.50
Legal and Regulatory	\$ 1,273,986	\$ 1,206,507	\$ (67,479)	4.00	4.00	-
Information Technology	\$ 4,177,585	\$ 4,646,443	\$ 468,858	14.00	16.00	2.00
Human Resources	\$ 1,200,673	\$ 1,378,654	\$ 177,981	4.00	4.00	-
Accounting and Finance	\$ 753,974	\$ 745,677	\$ (8,297)	3.00	3.00	-
Total Corporate Services*	\$ 13,731,813	\$ 14,367,061	\$ 635,248	42.50	46.00	3.50

*WECC's 2027 preliminary Corporate Services budget (direct expenses plus fixed assets) is \$14,367,061 of which \$1,706,089 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 2027 Corporate Services budget is \$12,660,972, which is a \$379,384 increase from the 2026 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
- 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.

2027 Key Budget Assumptions

- CEO outreach to stakeholders increases.
- WECC staff will provide the same level of meetings and meeting support as the prior year for the board of directors and board committee meetings.
- There is no Annual Member Meeting in 2027.
- Board directors will be compensated according to the current board compensation structure, and compensation is expected to increase.
- WECC's unused office space is subleased.
- One FTE is transferred from Training and Outreach to General and Administrative to align costs more closely with the position's current responsibilities for graphic design and multimedia work.
- The allocation of a half of an FTE from General and Administrative to Training and Outreach stopped in 2026 to align costs more closely with the position's current communications-related responsibilities.

2027 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, strategic priorities, 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



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.

2027 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.

2027 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

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.

2027 Key Budget Assumptions

- Total WECC headcount increases by 12.
- IT will work with communications to redesign wecc.org to improve the end user experience.
- 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 continue to train users on available organization-wide data reporting tools for increased data visualization, analytics, and reporting capabilities.
- Consultants will be used for project-based work to augment staff skillsets.
- IT will continue to drive long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- Vendor support will be required and replace desktop computer equipment every four years, servers every five years, and network equipment every seven to 10 years to reduce unplanned outages.
- 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 AI analyst is added to help translate business needs into data workflows for AI tools to improve processes and analytical capabilities.
- One data reporting analyst is added to provide and expand data management and reporting capabilities across the organization.

2027 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.
- Continue to consolidate data into a centralized database service, add 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 all areas of the business.



- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

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, professional and leadership development, succession planning, knowledge transfer, and employee engagement. HR also maintains employee-data systems and ensures compliance with employment-related federal and state laws.

2027 Key Budget Assumptions

- Total WECC headcount increases by 12.
- WECC's current benefit levels are maintained; premiums are expected to increase.
- Employee engagement efforts are continually refined and adjusted to retain talent and build on WECC's strong cultural foundation. Specific focus will continue on supporting and enhancing interactions and relationships with a distributed workforce.
- Management development and training is 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.

2027 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 maintain low 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.

Finance and Accounting

Program Scope, Purpose, and Impact

The Finance and Accounting Program provides accounting and financial analysis and disseminates financial reports and information. Additionally, the program coordinates budget cycles with budget managers, WECC's board, stakeholders, NERC, and FERC. The program is responsible for payroll, accounts payable, accounts receivable, budgeting, forecasting, fixed asset 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. The program works with stakeholders and provides outreach to help increase understanding of annual budget requests.

2027 Key Budget Assumptions

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

2027 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 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.
- Employ AI to rethink work processes and improve efficiencies and effectiveness in areas where it is the most impactful.



Corporate Services Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget and 2027 Budget CORPORATE SERVICES				
	2026 Budget	2027 Budget	Variance (\$)	Variance (%)
Revenue				
Statutory Funding				
WECC Assessments	\$ -	\$ -	\$ -	
Penalties Released	-	-	-	
Total Statutory Funding	\$ -	\$ -	\$ -	
Membership Fees	-	-	-	
Federal Grants	-	-	-	
Services & Software	-	-	-	
Workshops & Miscellaneous	-	-	-	
Interest	-	-	-	
Total Revenue (A)	\$ -	\$ -	\$ -	
Expenses				
Personnel Expenses				
Salaries	\$ 6,148,281	\$ 6,494,172	\$ 345,891	5.63%
Payroll Taxes	360,387	409,257	\$ 48,870	13.56%
Benefits	1,048,629	1,182,099	\$ 133,470	12.73%
Retirement Costs	491,183	519,067	\$ 27,884	5.68%
Total Personnel Expenses	\$ 8,048,480	\$ 8,604,595	\$ 556,115	6.91%
Meeting Expenses				
Meetings & Conference Calls	\$ 93,302	\$ 97,576	\$ 4,274	4.58%
Travel	188,256	268,194	\$ 79,938	42.46%
Total Meeting Expenses	\$ 281,558	\$ 365,770	\$ 84,212	29.91%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 463,000	\$ 428,400	\$ (34,600)	-7.47%
Office Rent	1,326,433	1,324,151	\$ (2,282)	-0.17%
Office Costs	2,123,117	2,067,198	\$ (55,919)	-2.63%
Professional Services	1,367,225	1,426,947	\$ 59,722	4.37%
Miscellaneous	-	-	\$ -	
Total Operating Expenses	\$ 5,279,775	\$ 5,246,696	\$ (33,079)	-0.63%
Total Direct Expenses	\$ 13,609,813	\$ 14,217,061	\$ 607,248	4.46%
Indirect Expenses	\$ (13,609,813)	\$ (14,217,061)	\$ (607,248)	4.46%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ -	\$ -	\$ -	
Change in Net Assets (=A-B)	\$ -	\$ -	\$ -	
Fixed Assets, excluding Right of Use Assets (C)	\$ -	\$ -	\$ -	
TOTAL BUDGET (B+C)	\$ -	\$ -	\$ -	
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ -	\$ -	\$ -	
FTEs	42.50	46.00	3.50	8.24%
HC	43.00	46.00	3.00	6.98%



Non-Statutory Program

Goals, Budget Assumptions, and Statement of Activities

2027 Non-Statutory Budget Overview

The Western Renewable Energy Generation Information System (WREGIS), WECC's only non-statutory program, is an independent, web-based tracking system for renewable energy certificates (REC) predominantly in the Western Interconnection and has been housed at WECC since 2006. WREGIS is funded through activity-based fees charged to its users. Although aligned with WECC's commitment to resource neutrality and interconnection-wide perspective, WREGIS's core activities are not part of WECC's core statutory business functions and are therefore, considered non-statutory.

Over the last decade, the use of renewable energy and the need to have reliable, credible information for regulatory compliance and voluntary renewable usage has increased. States and provinces across North America are increasing both the amount of renewable energy they are requiring and the ways in which they count this energy for regulatory purposes. Current and proposed legislation around the West anticipates the increased use of renewable energy through the end of the decade and beyond. The WREGIS budget assumes that increased renewable energy penetration will drive increased utilization of WREGIS.

In addition, the 2027 budget is a transition year to an eventual separation of WREGIS into an independent company. This transition is expected to take place after the completion of Phase 2 software development work and is projected for January 1, 2028.

Budget and Funding Summary

WREGIS's web-based tracking system currently operates using a third-party software solution. In October 2024, CleanCounts, the software provider since November 2022, notified WECC that it would not renew its software agreement with WECC at the end of the agreement's term, December 31, 2027.

The expiration of WECC's software agreement with CleanCounts created an opportunity for WECC and its board to evaluate how WREGIS can best meet the needs of its users and the programs it serves in the future. Following a significant review of potential paths forward, the long-term decision is that developing custom software and separating WREGIS from WECC is the best path forward.

At the direction of WECC's board, an RFP was issued and Atomic Object was selected to create a greenfield attribute tracking software that is accurate, effortless, and empowering – a tool that saves time, reduces stress, builds trust, and provides users with a seamless experience. The software development project commenced in late 2025 and WECC anticipates that Phase 2 of the software development project will be completed by the middle of 2027. All expenditures incurred for both the software development and the establishment of the new entity will be funded by non-statutory program revenue and reserves.

WECC's proposed 2027 non-statutory budget is \$6,748,000, a \$2,110,000 (45.5%) increase from the 2026 non-statutory budget. Non-statutory funding, derived predominantly from activity-based fees, is budgeted at \$4,333,000, a \$765,000 (21.5%) increase from 2026.

While the increase is significant over the 2026 non-statutory budget, it is important to note that the 2027 budget includes both the CleanCounts software licensing fees and an overhead allocation, totaling \$2.5 million. Without those expenses, which will not exist in a stand-alone WREGIS, the 2027



budget would have been \$4.5 million, which is on par with our current projections for first-year operations as a stand-alone entity.

Major Budget Drivers

Funding Sources

- Membership Fees increase due to continued increases in program participation and volumes, and expansions of some programs.
- Interest income decreases due to WREGIS' use of reserves to fund its software development project.

Personnel Expenses

- Three FTEs are added to support the separation of WREGIS from WECC and the need to have adequate business support roles filled before the transition date. These positions are anticipated to be hired in the last quarter of 2027.
- 4% merit and 1% market adjustment pools.
- Refinement of payroll tax and benefits enrollment rates and premiums.

Operating Expenses

- Consulting increases due to software development and corporate separation assistance, HRIS and accounting software implementations, and board director search fees, to enable the organization to be independent in January 2028.
- Office costs decrease due to net changes in licensing fees for various software programs.
- Professional Fees increase due to assumed one-time legal costs associated with corporate separation.

Indirect Expenses

- Indirect Expenses increase due to three additional FTEs 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.

Fixed Assets

- Software increases due to development fees for the new WREGIS software product.



WREGIS Statement of Activities

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2026 Budget & Projection, and 2027 Budget						
NON-STATUTORY						
	2026 Budget	2026 Projection	Variance 2026 Budget v 2026 Projection Over(Under)	2027 Budget	Budget Variance (\$)	Budget Variance (%)
Revenue						
Statutory Funding						
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	
Penalties Released	-	-	\$ -	-	\$ -	
Total Statutory Funding	\$ -	\$ -	\$ -	\$ -	\$ -	
Membership Fees	\$ 3,385,000	\$ 3,929,040	\$ 544,040	4,205,240	\$ 820,240	24.23%
Federal Grants	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Miscellaneous	2,500	2,500	-	7,500	5,000	200.00%
Interest	180,000	140,000	(40,000)	120,000	(60,000)	-33.33%
Total Revenue (A)	\$ 3,567,500	\$ 4,071,540	\$ 504,040	\$ 4,332,740	\$ 765,240	21.45%
Expenses						
Personnel Expenses						
Salaries	\$ 1,390,198	\$ 1,541,865	\$ 151,667	\$ 2,065,316	\$ 675,118	48.56%
Payroll Taxes	85,687	95,035	9,348	135,335	49,648	57.94%
Benefits	201,563	211,563	10,000	237,517	35,954	17.84%
Retirement Costs	110,735	122,816	12,081	164,699	53,964	48.73%
Total Personnel Expenses	\$ 1,788,183	\$ 1,971,279	\$ 183,096	\$ 2,602,867	\$ 814,684	45.56%
Meeting Expenses						
Meetings & Conference Calls	\$ 5,400	\$ 5,400	\$ -	\$ 8,100	\$ 2,700	50.00%
Travel	46,080	46,080	-	42,685	(3,395)	-7.37%
Total Meeting Expenses	\$ 51,480	\$ 51,480	\$ -	\$ 50,785	\$ (695)	-1.35%
Operating Expenses, excluding Depreciation						
Consultants & Contracts	\$ 100,000	\$ 396,000	\$ 296,000	\$ 272,000	\$ 172,000	172.00%
Office Rent	-	-	-	-	-	
Office Costs	1,247,972	1,247,972	-	1,107,263	(140,709)	-11.28%
Professional Services	-	75,000	75,000	90,000	90,000	
Miscellaneous	-	-	-	-	-	
Total Operating Expenses	\$ 1,347,972	\$ 1,718,972	\$ 371,000	\$ 1,469,263	\$ 121,291	9.00%
Total Direct Expenses	\$ 3,187,635	\$ 3,741,731	\$ 554,096	\$ 4,122,915	\$ 935,280	29.34%
Indirect Expenses	\$ 1,437,341	\$ 1,437,341	\$ -	\$ 1,688,276	\$ 250,935	17.46%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 4,624,976	\$ 5,179,073	\$ 554,096	\$ 5,811,191	\$ 1,186,215	25.65%
Change in Net Assets (=A-B)	\$ (1,057,476)	\$ (1,107,533)	\$ (50,056)	\$ (1,478,451)	\$ (420,975)	39.81%
Fixed Assets						
Fixed Assets, excluding Right of Use Assets (C)	\$ 12,884	\$ 2,061,640	\$ 2,048,756	\$ 936,653	\$ 923,769	7169.89%
TOTAL BUDGET (B+C)	\$ 4,637,860	\$ 7,240,713	\$ 2,602,852	\$ 6,747,844	\$ 2,109,984	45.49%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (1,070,360)	\$ (3,169,173)	\$ (2,098,812)	\$ (2,415,104)	\$ (1,344,744)	125.63%
FTEs	16.00	16.00	-	19.00	3.00	18.75%
HC	16.00	16.00	-	19.00	3.00	18.75%



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 2026	Direct FTEs 2027 Budget	Shared FTEs* 2027 Budget	Total FTEs 2027 Budget	Change from 2026 Budget
NON-STATUTORY					
Operational Programs					
Total FTEs Operational Programs	-	-	-	-	-
Administrative Programs					
WREGIS	16.00	19.00	-	19.00	3.00
Total FTEs Administrative Programs	16.00	19.00	-	19.00	3.00
Total FTEs	16.00	19.00	-	19.00	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 Reserves, January 1, 2026	\$ 7,076,144
Plus: 2026 Funding	4,071,540
Less: 2026 Projected expenses & capital expenditures	(7,240,713)
Less: 2026 Transfer of Peak Holdback Reserves to Statutory	(312,000)
Projected Reserves (Deficit), December 31, 2026	<u>\$ 3,594,971</u>
Plus: 2027 Funding	4,332,740
Less: 2027 Projected expenses & capital expenditures	(6,747,844)
Projected Reserves, December 31, 2027	<u>\$ 1,179,867</u>

After WREGIS separates from WECC, the new organization will no longer receive an indirect allocation from WECC and will not have certain software licensing fees to pay, which will reduce expenses for the new organization by approximately \$2.5 million for 2028.

While the reduction in reserves is substantial through 2027, the current estimated monthly run rate for the new organization will be approximately \$400,000. The estimated WREGIS reserve balance at the end of 2027 is the equivalent of approximately three months of operating expenses for the new organization, and this is in line with WECC's current reserve policy. The new organization's management and board will determine what reserve levels are appropriate, effective 2028 and forward.



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 fully integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided backstop funding for WREGIS. 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 WREGIS members, defined as entities with active organizations in WREGIS, and various key 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 an FTE 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
- Managing the budgeting, billing, and financial reporting

2027 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.
- The new, custom-built software will be implemented in late 2026 or early 2027 and will be used as the sole tracking system from that point forward.
- CleanCounts software license fees are budgeted until the contract expires on December 31, 2027.
- Interest rates remain stable.
- Travel for training and audits remains stable.
- One system administrator is added in the last quarter to maintain the IT resources and focus on system maintenance, performance monitoring, user management, and troubleshooting in preparation for the January 1, 2028, separation from WECC.
- One accounting professional is added in the last quarter to handle accounting and financial reporting for the new organization in preparation for the January 1, 2028, separation from WECC.
- One communications and marketing professional is added in the last quarter to plan, create, and deliver promotional materials, digital content, and communication strategies to increase engagement and brand awareness. in preparation for the January 1, 2028, separation from WECC.
- All expenses incurred in 2027 related to software development and the separation of WREGIS from WECC will be funded by non-statutory reserves, not WECC statutory funds.

2027 Goals and Deliverables

- Deliver Phase 2 of the new custom software by mid-2027.
- Regularly engage with stakeholders related to software development progress and the separation of WREGIS from WECC.
- Continuously improve program processes and tools to adapt to changes in the industry and increase efficiency.
- Develop methods and metrics for ongoing evaluation of effectiveness and efficiency.
- Maintain compliance with the participating state and provincial programs, as well as with voluntary programs.
- Refine and improve data collection to ensure high-quality data.
- Perform between two and four audits for each of the following: Qualified Reporting Entities, REC-holding customers, and Generator Owners depending upon highest determined risks.
- Deliver multiple virtual and in-person user training sessions to enable customers to use the newly launched software effectively and efficiently.
- WREGIS reserves are held to allow for continuity of normal operations or to fund special large-scale improvements.
- Ensure the organizational structure for the new entity is in place by the end of 2027.



- Ensure business processes and tools are adequate for the January 1, 2028, separation of WREGIS from WECC.



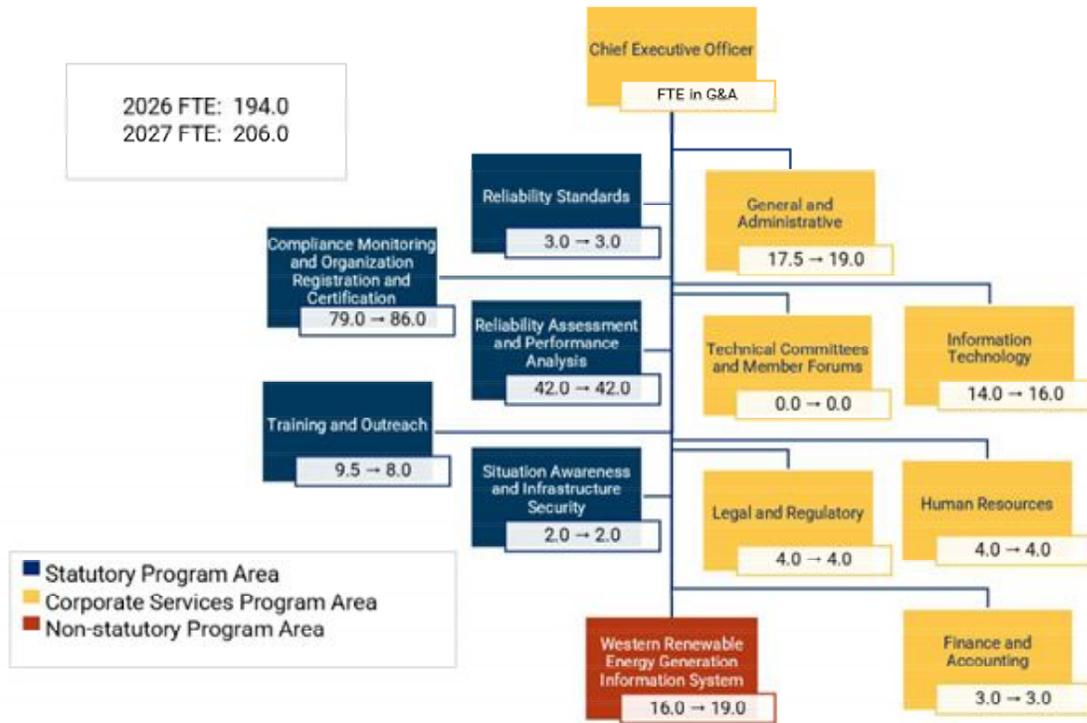
Appendices

Additional Information

Appendix A – 2027 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	\$ 38,509,861	\$ 38,509,861	\$ -	\$ 38,509,861	\$ 881,586	\$ 22,332,196	\$ 12,550,632	\$ 2,172,819	\$ 572,628	\$ -	\$ -	\$ -
Penalties Released	-	-	-	-	-	-	-	-	-	-	-	-
Total Statutory Funding	\$ 38,509,861	\$ 38,509,861	\$ -	\$ 38,509,861	\$ 881,586	\$ 22,332,196	\$ 12,550,632	\$ 2,172,819	\$ 572,628	\$ -	\$ -	\$ -
Non-statutory Funding												
Workshops & Miscellaneous	\$ 4,205,240	\$ -	\$ 4,205,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,205,240	\$ 4,205,240
Interest	837,803	830,303	7,500	830,303	6,884	197,354	96,382	525,093	4,590	-	7,500	7,500
	900,000	780,000	120,000	780,000	16,596	475,745	232,340	44,255	11,064	-	120,000	120,000
Total Revenue (A)	\$ 44,452,904	\$ 40,120,164	\$ 4,332,740	\$ 40,120,164	\$ 905,066	\$ 23,005,295	\$ 12,879,354	\$ 2,742,167	\$ 588,282	\$ -	\$ 4,332,740	\$ 4,332,740
Expenses												
Personnel Expenses												
Salaries	\$ 29,079,166	\$ 27,013,850	\$ 2,065,316	\$ 27,013,850	\$ 540,617	\$ 11,944,021	\$ 6,460,704	\$ 1,231,800	\$ 342,536	\$ 6,494,172	\$ 2,065,316	\$ 2,065,316
Payroll Taxes	1,886,073	1,750,738	135,335	1,750,738	34,416	785,443	420,671	77,724	23,227	409,257	135,335	135,335
Benefits	3,499,913	3,262,396	237,517	3,262,396	45,330	1,258,341	621,448	123,036	32,142	1,182,099	237,517	237,517
Retirement Costs	2,318,690	2,153,991	164,699	2,153,991	43,249	951,833	514,413	98,026	27,403	519,067	164,699	164,699
Total Personnel Expenses	\$ 36,783,842	\$ 34,180,975	\$ 2,602,867	\$ 34,180,975	\$ 663,612	\$ 14,939,638	\$ 8,017,236	\$ 1,530,586	\$ 425,308	\$ 8,604,595	\$ 2,602,867	\$ 2,602,867
Meeting Expenses												
Meetings & Conference Calls	\$ 681,306	\$ 673,206	\$ 8,100	\$ 673,206	\$ -	\$ -	\$ 29,136	\$ 546,494	\$ -	\$ 97,576	\$ 8,100	\$ 8,100
Travel	1,224,149	1,181,464	42,685	1,181,464	20,115	639,690	200,565	38,985	13,915	268,194	42,685	42,685
Total Meeting Expenses	\$ 1,905,455	\$ 1,854,670	\$ 50,785	\$ 1,854,670	\$ 20,115	\$ 639,690	\$ 229,701	\$ 585,479	\$ 13,915	\$ 365,770	\$ 50,785	\$ 50,785
Operating Expenses, excluding Depreciation												
Consultants & Contracts	\$ 2,532,800	\$ 2,260,800	\$ 272,000	\$ 2,260,800	\$ -	\$ 708,000	\$ 1,124,400	\$ -	\$ -	\$ 428,400	\$ 272,000	\$ 272,000
Office Rent	1,324,151	1,324,151	-	1,324,151	-	-	-	-	-	1,324,151	-	-
Office Costs	3,943,489	2,836,226	1,107,263	2,836,226	1,755	261,484	445,319	58,630	1,840	2,067,198	1,107,263	1,107,263
Professional Services	1,516,947	1,426,947	90,000	1,426,947	-	-	-	-	-	1,426,947	90,000	90,000
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	\$ 9,317,387	\$ 7,848,124	\$ 1,469,263	\$ 7,848,124	\$ 1,755	\$ 969,484	\$ 1,569,719	\$ 58,630	\$ 1,840	\$ 5,246,696	\$ 1,469,263	\$ 1,469,263
Total Direct Expenses	\$ 48,006,684	\$ 43,883,769	\$ 4,122,915	\$ 43,883,769	\$ 685,482	\$ 16,548,812	\$ 9,816,656	\$ 2,174,695	\$ 441,063	\$ 14,217,061	\$ 4,122,915	\$ 4,122,915
Indirect Expenses	\$ -	\$ (1,688,276)	\$ 1,688,276	\$ (1,688,276)	\$ 266,570	\$ 7,641,670	\$ 3,731,979	\$ 710,853	\$ 177,713	\$ (14,217,061)	\$ 1,688,276	\$ 1,688,276
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (B)	\$ 48,006,684	\$ 42,195,493	\$ 5,811,191	\$ 42,195,493	\$ 952,052	\$ 24,190,482	\$ 13,548,635	\$ 2,885,548	\$ 618,776	\$ -	\$ 5,811,191	\$ 5,811,191
Change in Net Assets (=A-B)	\$ (3,553,780)	\$ (2,075,329)	\$ (1,478,451)	\$ (2,075,329)	\$ (46,986)	\$ (1,185,187)	\$ (669,281)	\$ (143,381)	\$ (30,494)	\$ -	\$ (1,478,451)	\$ (1,478,451)
Depreciation												
Computer & Software CapEx	\$ 918,840	\$ -	\$ 918,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,840	\$ 918,840
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-
Equipment CapEx	150,000	150,000	-	150,000	-	-	-	-	-	150,000	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of Fixed Assets	-	(17,813)	17,813	(17,813)	2,813	80,624	39,375	7,500	1,875	(150,000)	17,813	17,813
Fixed Assets, excluding Right of Use Assets (C)	\$ 1,068,840	\$ 132,187	\$ 936,653	\$ 132,187	\$ 2,813	\$ 80,624	\$ 39,375	\$ 7,500	\$ 1,875	\$ -	\$ 936,653	\$ 936,653
TOTAL BUDGET (B+C)	\$ 49,075,524	\$ 42,327,680	\$ 6,747,844	\$ 42,327,680	\$ 954,865	\$ 24,271,106	\$ 13,588,010	\$ 2,893,048	\$ 620,651	\$ -	\$ 6,747,844	\$ 6,747,844
TOTAL CHANGE IN WORKING CAPITAL (A-B-C)	\$ (4,622,620)	\$ (2,207,516)	\$ (2,415,104)	\$ (2,207,516)	\$ (49,799)	\$ (1,265,811)	\$ (708,656)	\$ (150,881)	\$ (32,369)	\$ -	\$ (2,415,104)	\$ (2,415,104)
FTEs	206.00	187.00	19.00	187.00	3.00	86.00	42.00	8.00	2.00	46.00	19.00	19.00
HC	206.00	187.00	19.00	187.00	3.00	86.00	42.00	8.00	2.00	46.00	19.00	19.00

Appendix B – Organizational Chart – Changes in FTE by Program

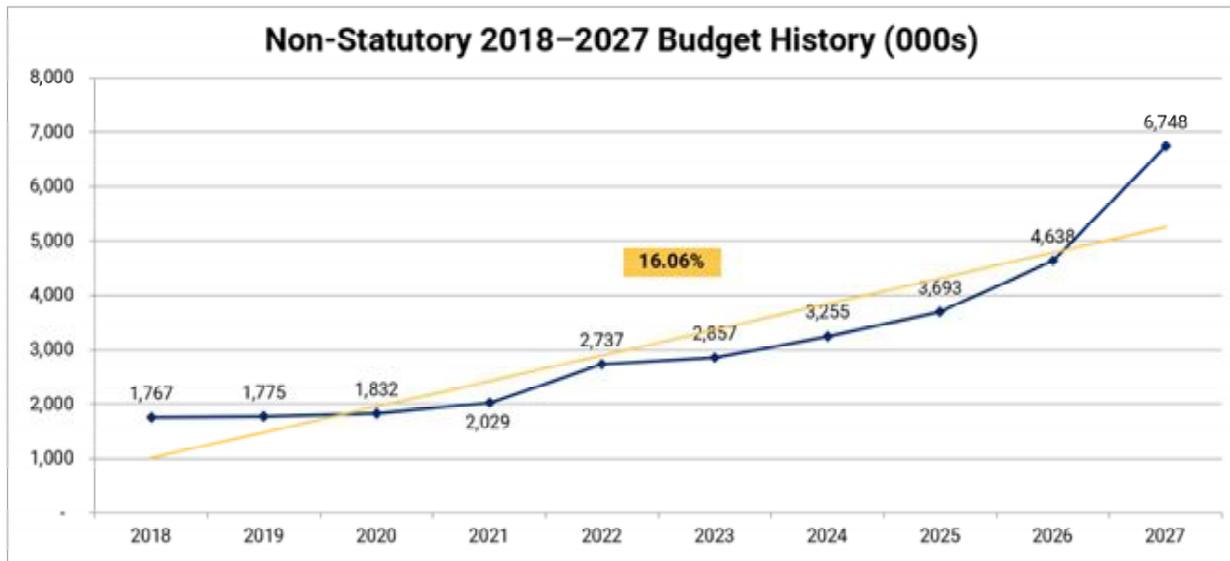
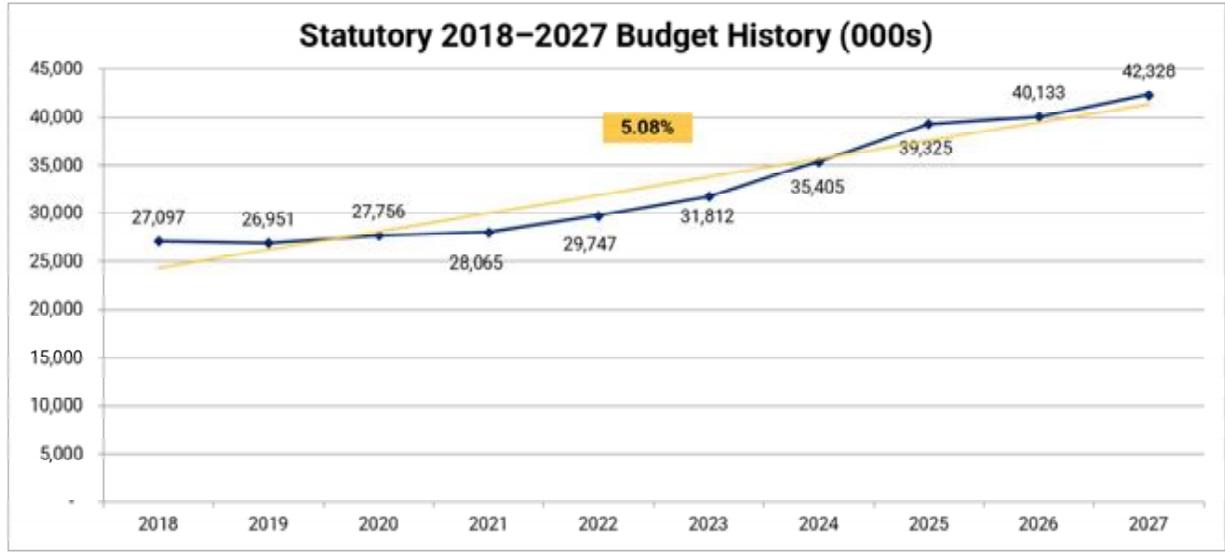


Appendix C – Adjustment to the Alberta Electric System Operator (AESO) Assessment

To be inserted after NEL collection process



Appendix D – Statutory and Non-Statutory Budget History Charts



<Public>



2027 Draft Business Plan and Budget Overview

Jillian Lessner

Chief Financial and Administrative Officer

**Electric Reliability
& Security for the West**

March 10, 2026

<Public>



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 expected by year-end to total approximately 700
- Recognize growing complexity and pace of industry change
- Maintain adequate working capital reserves

<Public>



2027 Statutory Budget Overview

- Statutory budget increase – \$2.2 million (5.5%)
 - Budget total – \$42.3 million
 - 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 increase – \$2.9 million (8.0%)
 - Assessments total – \$38.5 million
 - 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

<Public>



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

<Public>



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.

<Public>



2026 to 2027 Draft Budget Comparison

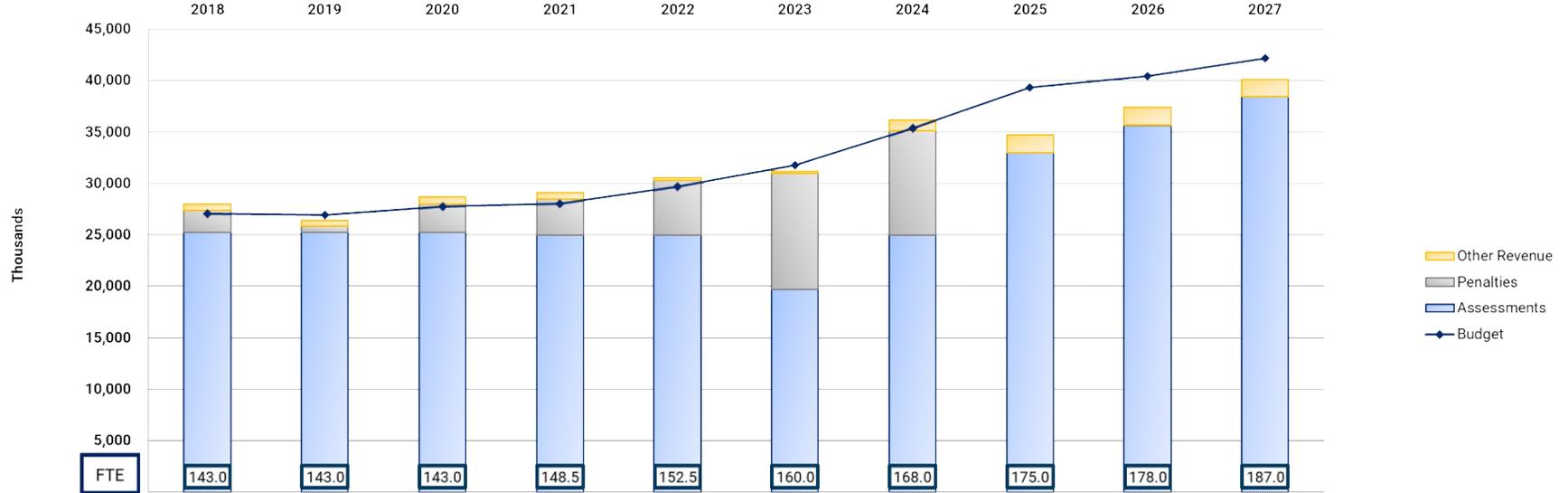
	2026 Budget	2027 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 35,657,280	\$ 38,509,861	\$ 2,852,581	8.0%	Increase in budget, no penalties collected, capped at assessment stabilization recommendation
Penalties	41,745	-	(41,745)	-100.0%	
Other Income	1,757,506	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%	

<Public>



Budget Compared to Funding Sources

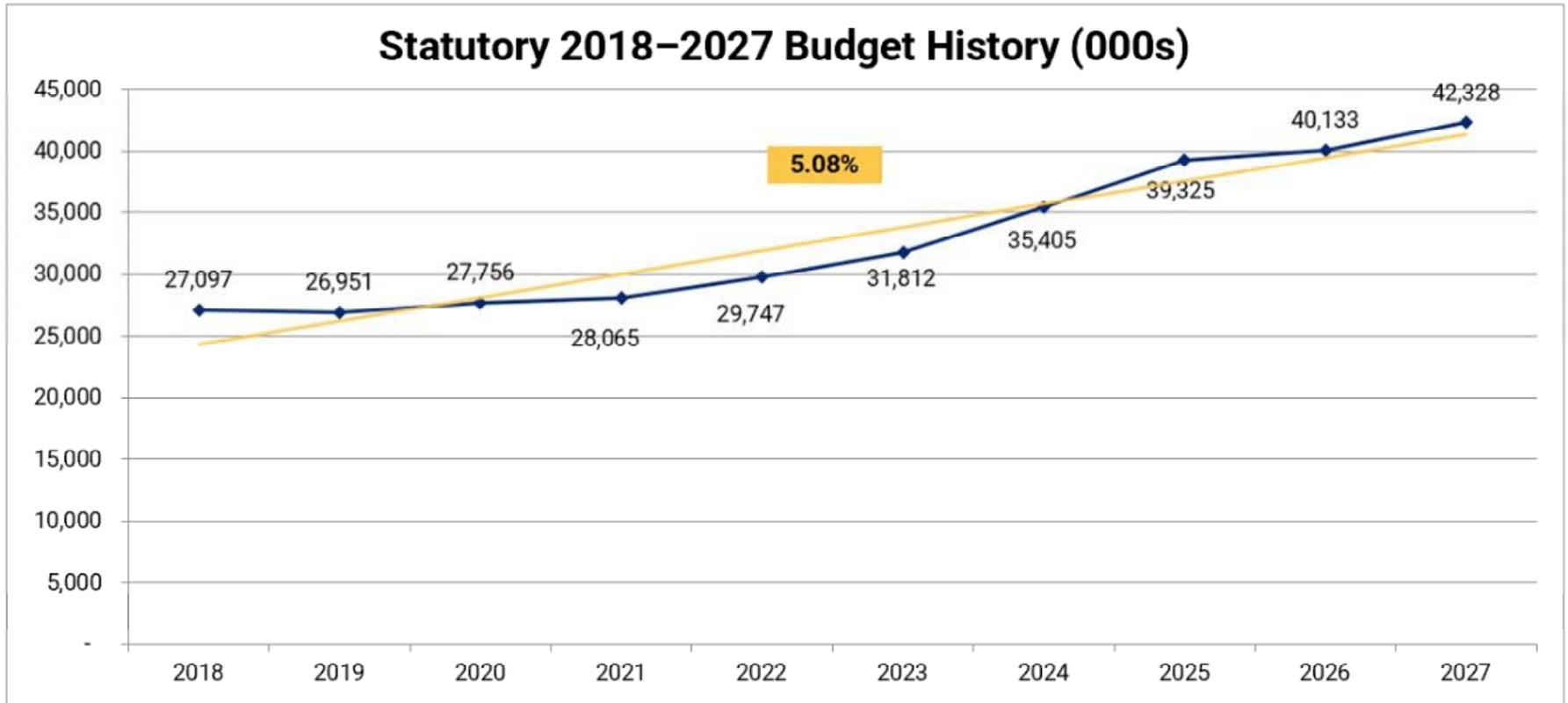
Historical Budget, Assessments, and FTE



<Public>



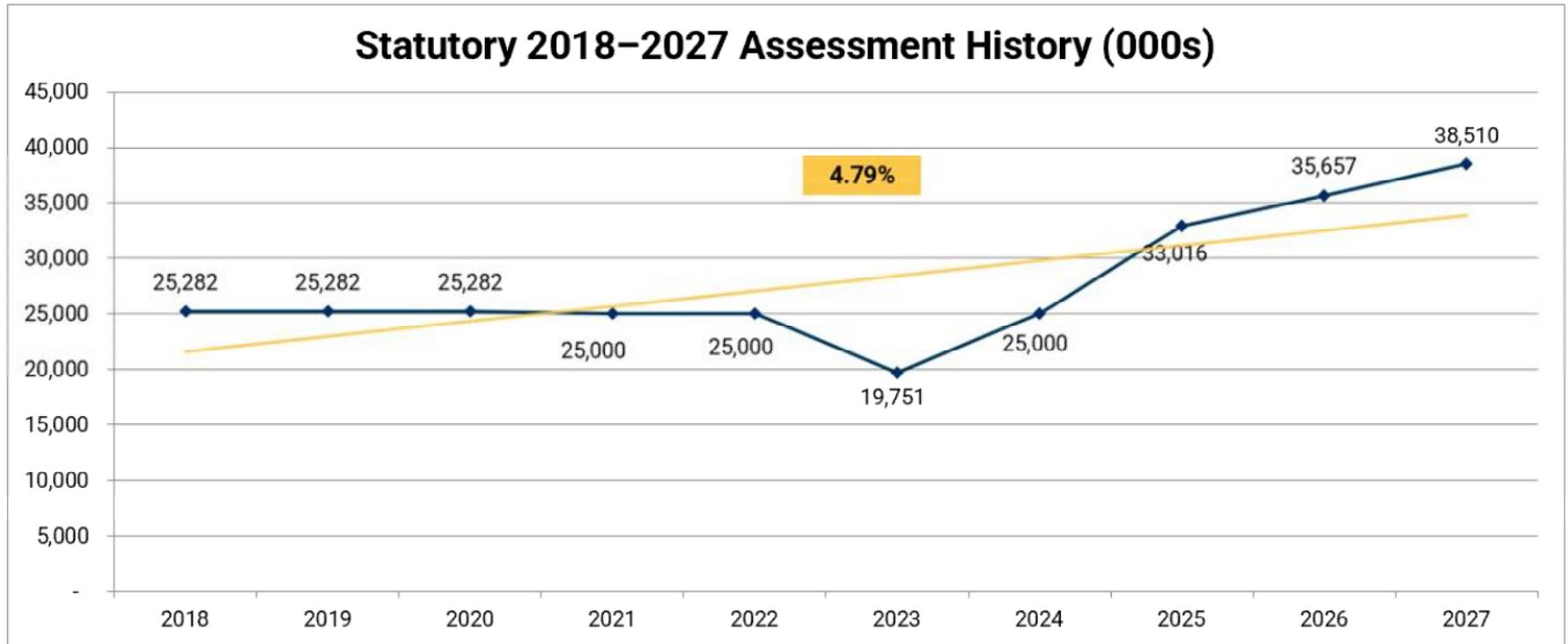
10-Year Statutory Budget Trend



<Public>



10-Year Assessment Trend



<Public>



2027 Non-Statutory Budget Context

- Successful implementation and support of the new custom software
- Overlap in costs for current software licensing and new software development
- Preparation for the December 31, 2027, contract-end with CleanCounts
- Positioning and set up of WREGIS for success as an independent, stand-alone entity effective January 1, 2028
- All spending related to software development and the establishment of the new entity are funded with WREGIS reserves

<Public>



2027 Non-Statutory Budget Overview

- Fee revenue increase – \$820K (24.2%)
 - Increase is 14.5% above 2025 actual fee revenue
 - Consistent with volume growth trends
- Non-statutory budget increase – \$2.1 million (45.5%)
 - Budget total – \$6.7 million
 - Indirect allocation increase
- Conversion of some existing budgeted FTE to positions needed to support the custom software and the separation of WREGIS from WECC
- Three additional FTEs to support the stand-alone organization
- Reserve usage
 - Working Capital Reserves – \$1.1 million

<Public>



2026, 2027, and Projected 2028 Non-Statutory Budget Comparison

	2026 Budget	2027 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	2027 Budget	2028—YR 1 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)
Funding								
User Fees	\$ 3,385,000	\$ 4,205,240	\$ 820,240	24.2%	\$ 4,205,240	\$ 4,457,554	\$ 252,314	6.0%
Other Income	182,500	127,500	(55,000)	-30.1%	127,500	100,000	(27,500)	-21.6%
Total Funding	\$ 3,567,500	\$ 4,332,740	\$ 765,240	21.5%	\$ 4,332,740	\$ 4,557,554	\$ 224,814	5.2%
Expenses								
Personnel Expenses	\$ 1,788,183	\$ 2,602,867	\$ 814,684	45.6%	\$ 2,602,867	\$ 3,185,776	\$ 582,909	22.4%
Meeting Expenses	51,480	50,785	(695)	-1.4%	50,785	105,000	54,215	106.8%
Operating Expenses	1,347,972	1,469,263	121,291	9.0%	1,469,263	1,025,320	(443,943)	-30.2%
Indirect Expenses	1,437,341	1,688,276	250,935	17.5%	1,688,276	-	(1,688,276)	-100.0%
Total Expenses	\$ 4,624,976	\$ 5,811,191	\$ 1,186,215	25.6%	\$ 5,811,191	\$ 4,316,096	\$ (1,495,095)	-25.7%
Fixed Assets	\$ 12,884	\$ 936,653	\$ 923,769	7169.9%	\$ 936,653	\$ -	\$ (936,653)	-100.0%
Total Budget	\$ 4,637,860	\$ 6,747,844	\$ 2,109,984	45.5%	\$ 6,747,844	\$ 4,316,096	\$ (2,431,748)	-36.0%
Change in Working Capital	\$ (1,070,360)	\$ (2,415,104)	\$ (1,344,744)		\$ (2,415,104)	\$ 241,458	\$ 2,656,562	
FTEs	16.0	19.0	3.0	18.8%	19.0	19.0	0.0	0.0%

<Public>



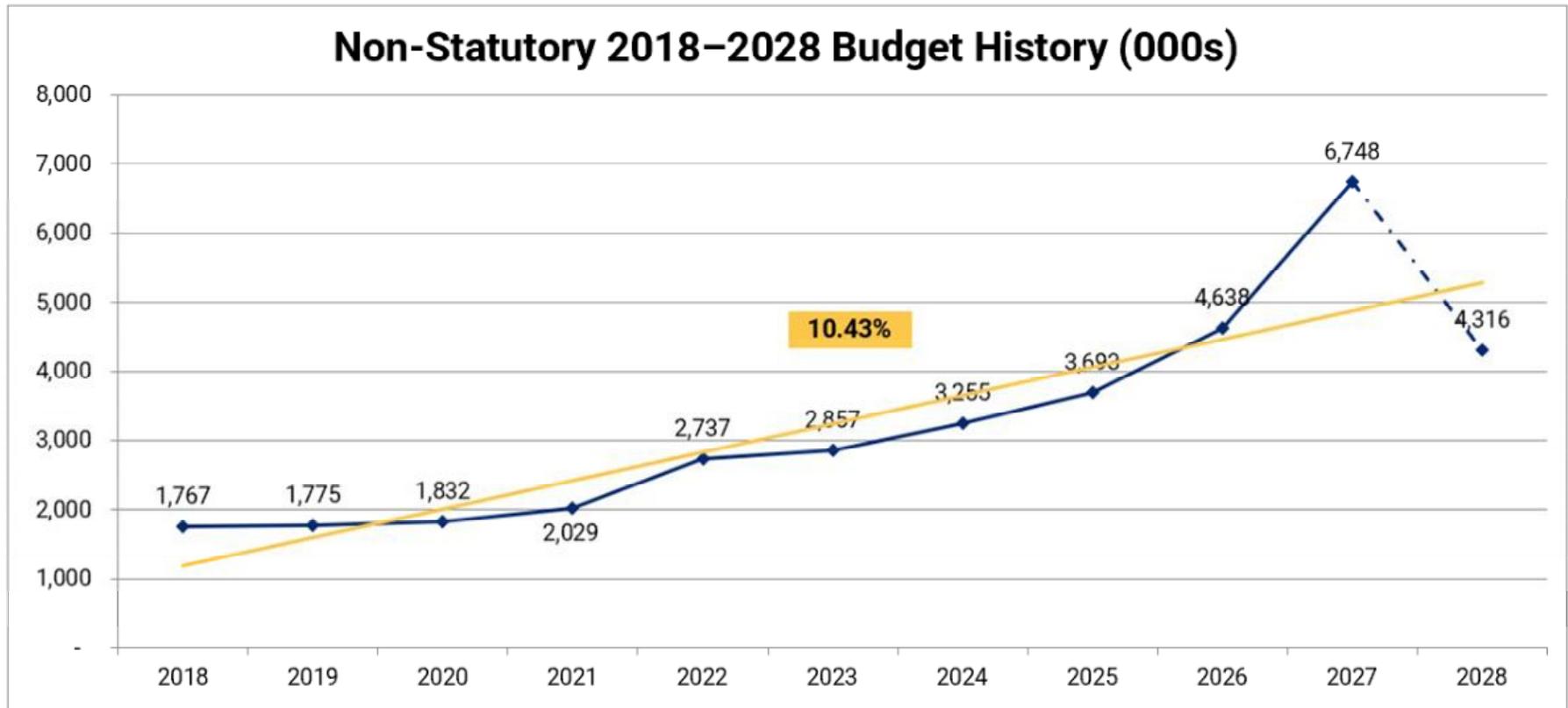
Important 2028 Context

- Current software licensing fees end in 2027
- Overhead allocation from WECC G&A ends in 2027
- Current projection for 2028 budget is close to break-even
- Continued refinement will occur

<Public>



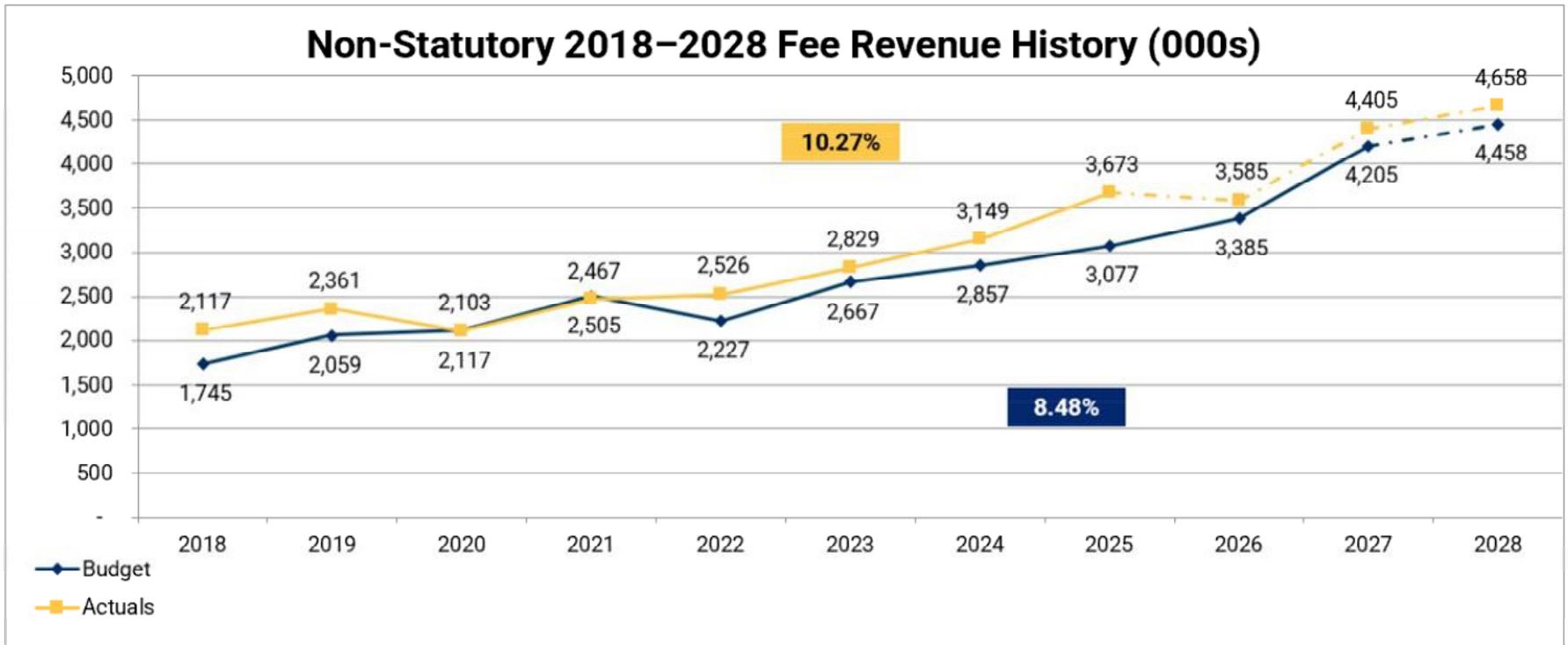
Non-Statutory Budget Trend and Projection



<Public>



Non-Statutory Fee Revenue Trend and Projection



<Public>



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

<Public>



Work Optimization

- Implementation of Filevine and retirement of Sharepoint workflows for case management
 - Replaced cumbersome process with automation
 - Eliminated maintenance of custom site and workflows
 - Increased efficiencies, effectiveness, and engagement with the work
- Implementation of Paylocity (HCM)
 - Reduces system complexity and the time to administer the system
 - Improves user interfaces for employees and costs less
- Retirement of the Reliability Risk Priorities biennial process
 - Broadened Risk Management Program to incorporate robust stakeholder outreach and input
 - Eliminates duplication and potential inconsistencies with managing two separate risk ranking processes
- Retirement of MAVRIC and migration to SERVVM for resource adequacy modeling
 - Eliminates maintenance of home-grown software
 - Increases consistency in modeling with the ERO-Enterprise
- Automation of the WECC Daily Status Report
 - Saved hours of manual work each day



ENGAGE WITH WECC





www.wecc.org | 801-582-0353



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



**Finance and Audit Committee
MAC Budget Subcommittee Comments**

Verbal Update
Stephanie Little
March 10, 2026

<Public>



2025 Unaudited Financial Results

Jillian Lessner
March 10, 2026

Summary

As of December 31, 2025, statutory programs were under budget by a net of \$114,000. The non-statutory program was under budget by a net of \$311,000.

Variances greater than \$100,000 are explained in subsequent sections. Two versions of the statutory year-end results are provided to illustrate a timing difference in penalty revenue recognition under Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, WECC recognizes penalties when FERC approves them, rather than in the year in which the penalties offset assessments. Penalties revenue is greater than budget by \$37,000 for this reason. The first table (Figure 1) represents GAAP reporting, with the penalty revenue recognition changes included. The second table (Figure 2) represents results without the penalty variance.

Statutory Programs

Major Drivers of Statutory Variances (Greater than \$100,000)

Figure 1: Statutory Year-End Results (GAAP)

	Actual 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,057,745	33,020,400	37,345
Other Funding	1,819,916	1,703,541	116,375
Total Funding	34,877,661	34,723,941	153,720
Expenses			
Personnel Expenses	30,922,199	31,121,355	199,156
Meeting & Travel Expenses	1,610,178	1,697,461	87,283
Operating Expenses	7,517,078	7,502,720	(14,358)
Indirect Allocation	(903,917)	(1,146,873)	(242,956)
Total Expenses	39,145,538	39,174,663	29,125
Fixed Assets	181,962	150,713	(31,249)
Total Expenditures	39,327,500	39,325,376	(2,124)
Funding Less Expenditures	(4,449,839)	(4,601,435)	151,596

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

	Actual 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	33,020,400	33,020,400	-
Other Funding	1,819,916	1,703,541	116,375
Total Funding	34,840,316	34,723,941	116,375
Expenses			
Personnel Expenses	30,922,199	31,121,355	199,156
Meeting & Travel Expenses	1,610,178	1,697,461	87,283
Operating Expenses	7,517,078	7,502,720	(14,358)
Indirect Allocation	(903,917)	(1,146,873)	(242,956)
Total Expenses	39,145,538	39,174,663	29,125
Fixed Assets	181,962	150,713	(31,249)
Total Expenditures	39,327,500	39,325,376	(2,124)
Funding Less Expenditures	(4,487,184)	(4,601,435)	114,251

- Other Funding: \$116,000 over budget primarily due to higher-than-budgeted interest rates and investment income and lower than budgeted workshop attendance and revenue.
- Personnel Expenses: \$199,000 under budget primarily due to actual vacancy rates compared to budget and lower-than-budgeted participation in benefit plans.

<Public>

- Operating Expenses: \$14,000 over budget primarily due to the net of:
 - Consultants: \$362,000 over budget primarily due to the year-over-year timing of actual expenditures for the data management and WestTEC projects compared to budget,
 - Computer/Software Maintenance & Licenses: \$362,000 under budget due to actual licensing fee escalations and software tools in service compared to budget,
 - Expensed Equipment: \$62,000 over budget primarily due to inflationary impacts on vendor pricing for computers and a higher refresh rate than budgeted,
 - Professional Services: \$132,000 under budget primarily due to board vacancies through September and lower-than-budgeted legal fees.
- Indirect Allocation: \$243,000 under budget due to lower allocable expenses in Corporate Services and several vacant positions in the non-statutory program area.

Non-Statutory Program

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

Figure 3: Non-Statutory Year-End Results

	Actual 2025	Budget 2025	Variance (over) /under
Funding			
ERO Funding	-	-	-
Other Funding	3,945,677	3,259,875	685,802
Total Funding	3,945,677	3,259,875	685,802
Expenses			
Personnel Expenses	1,355,305	1,488,694	133,389
Meeting & Travel Expenses	28,489	52,030	23,541
Operating Expenses	1,490,503	990,968	(499,535)
Indirect Allocation	903,917	1,146,872	242,955
Total Expenses	3,778,214	3,678,564	(99,650)
Fixed Assets	289,720	14,787	274,933
Total Expenditures	4,067,934	3,693,351	374,583
Funding Less Expenditures	(122,257)	(433,476)	311,220

- Other Funding: \$686,000 over budget primarily due to:
 - Higher-than-budgeted certificate activity, and
 - Higher-than-budgeted rates of return on investments.
- Personnel Expenses: \$133,000 under budget primarily due to actual vacancy rates compared to budget.
- Operating Expenses: \$500,000 over budget primarily due to unbudgeted consulting services and legal fees.
- Indirect Allocation: \$243,000 under budget due to lower allocable expenses in Corporate Services and several vacant positions in the non-statutory program area.
- Fixed Assets: \$275,000 over budget due to unbudgeted custom software development.



<Public>



January 2026 Financial Results

Jillian Lessner
March 10, 2026

Summary

As of January 31, 2026, statutory programs were over budget by a net of \$54,000. The non-statutory program was over budget by a net of \$92,000.

A forecast for year-end is not usually prepared this early in the year. However, due to the activity in the non-statutory part of the business, a forecast is presented in this report. The non-statutory program is forecast to be over budget by a net of \$2.1 million at the end of the year.

Variances greater than \$100,000 are explained in subsequent sections. Two versions of the statutory results are provided to illustrate a timing difference in penalty revenue recognition under Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, WECC recognizes penalties when FERC approves them, rather than in the year in which the penalties offset assessments. Penalties revenue is less than budget by \$42,000 for this reason. The first table (Figure 1) represents GAAP reporting, with the penalty revenue recognition changes included. The second table (Figure 2) represents results without the penalty variance.

Statutory Programs

Major Drivers of Statutory Variances (Greater than \$100,000)

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

	Actual 2026	Budget 2026	Variance (over) /under
Funding			
ERO Funding	35,657,280	35,699,025	(41,745)
Other Funding	120,460	97,584	22,876
Total Funding	35,777,740	35,796,609	(18,869)
Expenses			
Personnel Expenses	2,581,981	2,399,302	(182,679)
Meeting & Travel Expenses	59,872	24,672	(35,200)
Operating Expenses	389,487	546,162	156,675
Indirect Allocation	-	-	-
Total Expenses	3,031,340	2,970,136	(61,204)
Fixed Assets	15,529	-	(15,529)
Total Expenditures	3,046,869	2,970,136	(76,733)
Funding Less Expenditures	32,730,871	32,826,473	(95,602)

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

	Actual 2026	Budget 2026	Variance (over) /under
Funding			
ERO Funding	35,699,025	35,699,025	-
Other Funding	120,460	97,584	22,876
Total Funding	35,819,485	35,796,609	22,876
Expenses			
Personnel Expenses	2,581,981	2,399,302	(182,679)
Meeting & Travel Expenses	59,872	24,672	(35,200)
Operating Expenses	389,487	546,162	156,675
Indirect Allocation	-	-	-
Total Expenses	3,031,340	2,970,136	(61,204)
Fixed Assets	15,529	-	(15,529)
Total Expenditures	3,046,869	2,970,136	(76,733)
Funding Less Expenditures	32,772,616	32,826,473	(53,857)

<Public>

Year-to-Date (GAAP)

- Personnel Expenses: \$183,000 over budget primarily due to vacancy, payroll tax, and benefits enrollment rates compared to budget.
- Operating Expenses: \$157,000 under budget primarily due to the timing of actual expenditures compared to budget.

Non-Statutory Program

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

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

	Actual 2026	Budget 2026	Variance (over) /under
Funding			
ERO Funding	-	-	-
Other Funding	298,477	305,000	(6,523)
Total Funding	298,477	305,000	(6,523)
Expenses			
Personnel Expenses	105,402	120,534	15,132
Meeting & Travel Expenses	2,249	6,975	4,726
Operating Expenses	124,910	121,731	(3,179)
Indirect Allocation	-	-	-
Total Expenses	232,561	249,240	16,679
Fixed Assets	102,520	-	102,520
Total Expenditures	335,081	249,240	85,841
Funding Less Expenditures	(36,604)	55,760	(92,363)

Figure 4: Non-Statutory Year-End Forecast

	Forecast 2026	Budget 2026	Variance (over) /under
Funding			
ERO Funding	-	-	-
Other Funding	4,071,540	3,567,500	504,040
Total Funding	4,071,540	3,567,500	504,040
Expenses			
Personnel Expenses	1,971,279	1,788,184	(183,096)
Meeting & Travel Expenses	51,480	51,480	-
Operating Expenses	1,718,972	1,347,972	(371,000)
Indirect Allocation	1,437,341	1,437,341	-
Total Expenses	5,179,072	4,624,977	(554,096)
Fixed Assets	2,061,640	12,884	(2,048,756)
Total Expenditures	7,240,712	4,637,861	(2,602,852)
Funding Less Expenditures	(3,169,172)	(1,070,361)	(2,098,812)

Year-to-Date

- Fixed Assets: \$103,000 over budget due to unbudgeted custom software development costs for Phase 1 of the project.

Year-End Forecast

- Personnel Expenses: \$183,000 over budget primarily due to the conversion of three existing positions to other roles at higher pay grades (WREGIS CEO, two software developers) that are expected to be hired at different points during 2026.
- Operating Expenses: \$371,000 over budget primarily due to unbudgeted consulting for the software development project and unbudgeted legal fees.
- Fixed Assets: \$2,049,000 over budget due to unbudgeted custom software development costs for Phase 1 of the project.



<Public>



Financial Results

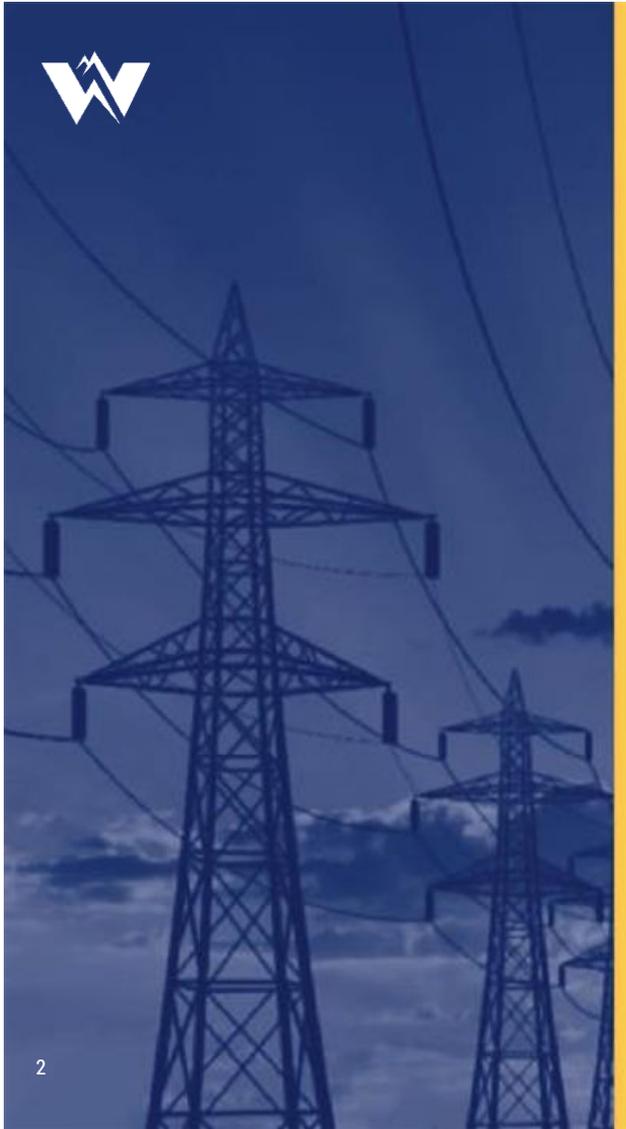
Jillian Lessner

Chief Financial and Administrative Officer

**Electric Reliability
& Security for the West**

March 10, 2026

<Public>



2025 Unaudited Financial Results

<Public>



2025 Statutory Funding

- Total funding – \$34.8M (\$116K/0.34% over budget)
 - Assessments – \$33M (at budget)
 - Penalties – \$4K (at budget)
 - Other – \$1.8M (\$116K/6.83% over budget)
 - Rates of return on cash and investments

<Public>



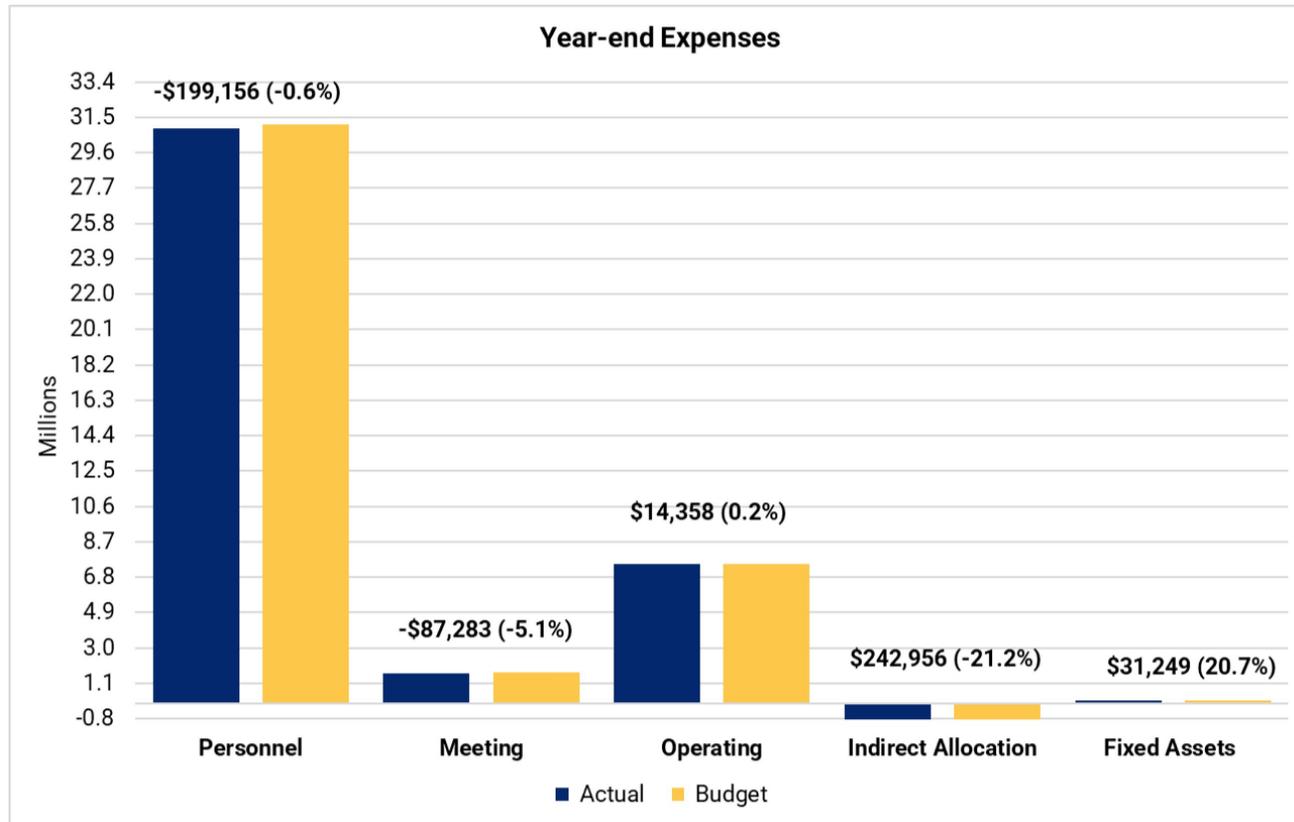
2025 Statutory Expenditures

- Total expenditures – \$39.3M (\$2K/0.01% over budget)
 - Personnel Expenses – \$30.9M (\$199K/0.64% under budget)
 - Actual vacancy rates compared to budget
 - Lower than budgeted participation in benefit plans
 - Meeting and Travel Expenses – \$1.61M (\$87K/5.1% under budget)
 - Operating Expenses—\$7.5M (\$14K/0.19% over budget)
 - Consultants: \$362K (19%) over budget due to the year-over-year timing of actual expenditures for the data management and WestTEC projects compared to budget
 - Computer/Software Maintenance & Licenses: \$362K (17%) under budget due to actual licensing fee escalations and software tools in service compared to budget
 - Indirect Allocation—\$904K (\$243K/21.2% under budget)
 - Lower allocable expenses in Corporate Services and several vacant positions in the non-statutory program area

<Public>



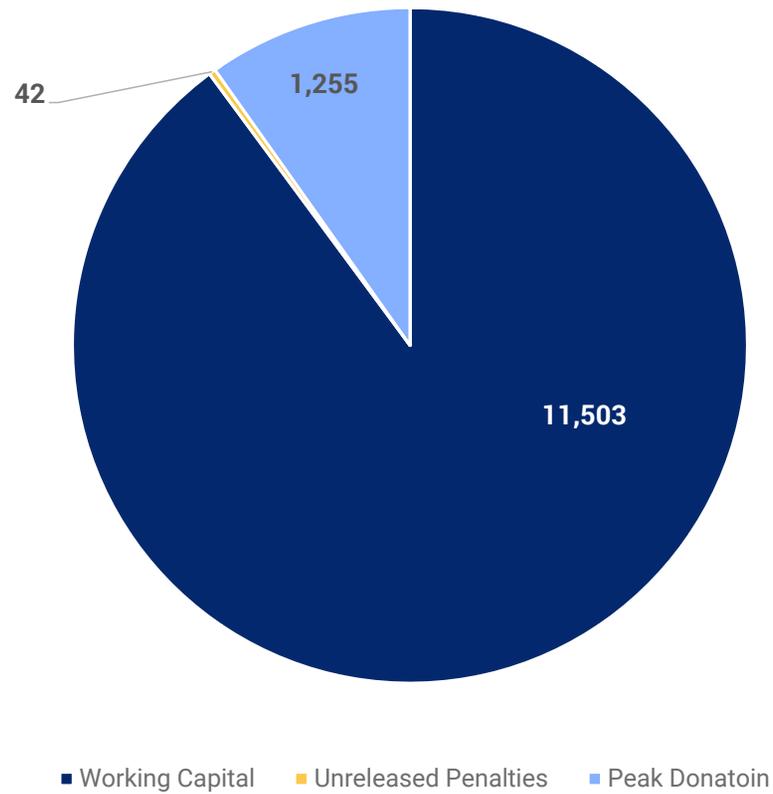
Year-end Statutory Expense Variances



<Public>



Year-end Statutory Reserves



<Public>



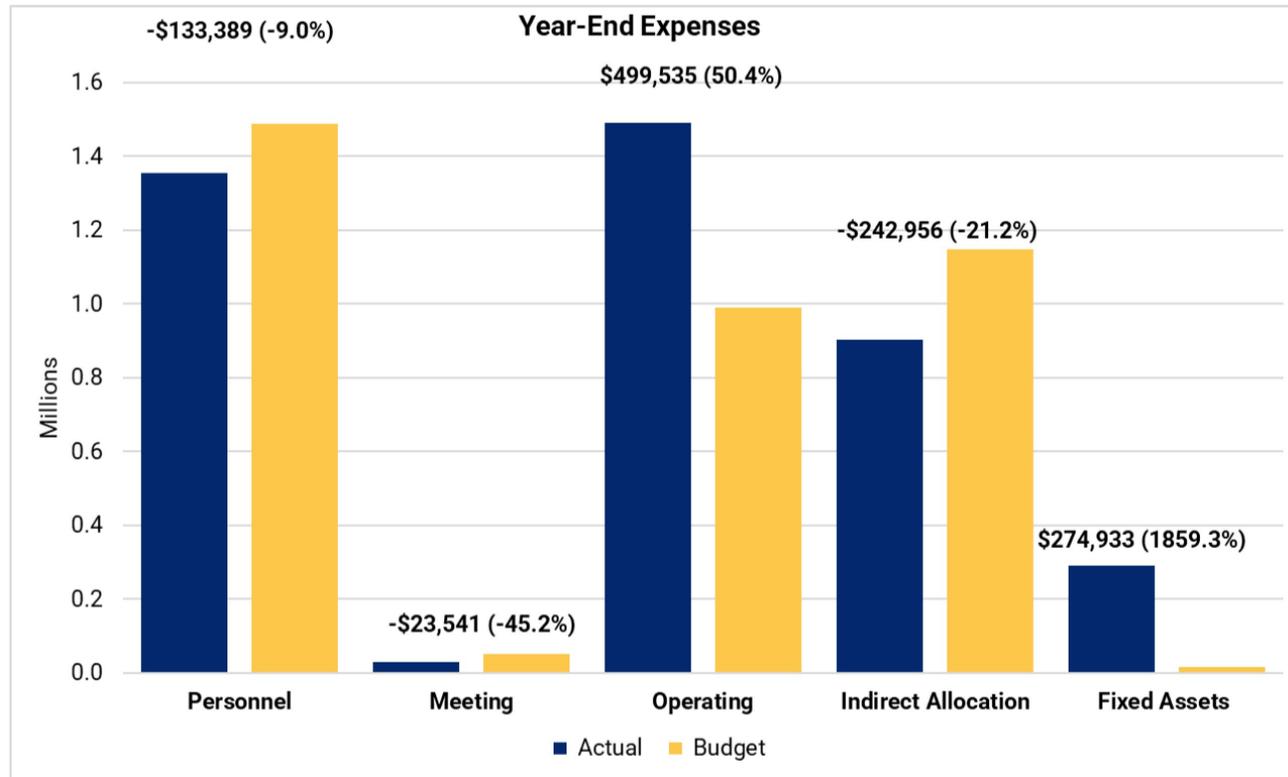
2025 Non-Statutory Results

- Total funding — \$3.9M (\$686K/21% over budget)
 - Higher-than-budgeted certificate activity
- Total expenditures — \$4.1M (\$375K/10.1% over budget)
 - Personnel Expenses — \$1.36M (\$133K/9.0% under budget)
 - Higher actual vacancy rates than budgeted
 - Meeting Expenses — \$28K (\$24K/45.2% under budget)
 - Operating Expenses — \$1.49M (\$500K/50.4% over budget)
 - Unbudgeted consulting services and legal fees
 - Indirect Allocation—\$904K (\$243K/21.2% under budget)
 - Lower allocable expenses in Corporate Services and several vacant positions in the non-statutory program area
 - Fixed Assets — \$290K (\$275K/1,859.3% over budget)
 - Unbudgeted custom software development costs (funded with WREGIS reserves)

<Public>



Year-end Non-Statutory Expense Variances



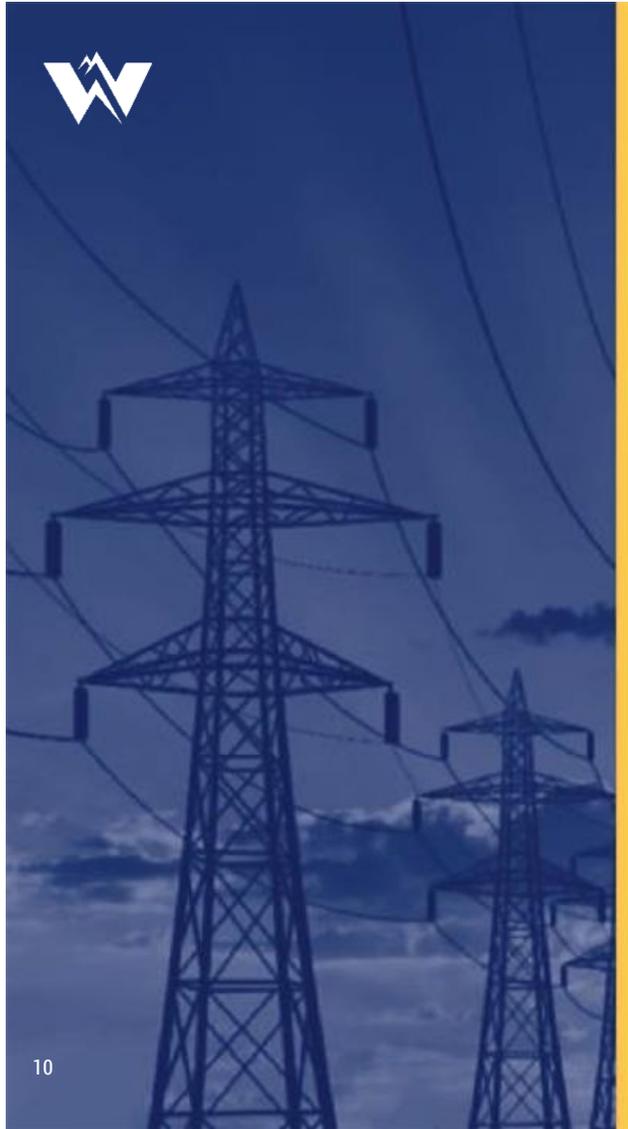
<Public>



Year-end Non-Statutory Reserves

- Total reserves – \$7.1M
 - WREGIS reserves – \$6.8M
 - Peak Holdback reserves – \$312K
 - Converts to statutory working capital reserves in 2026
- Projected WREGIS reserves at December 31, 2026 – \$3.6M

<Public>



January 2026 Financial Results

<Public>



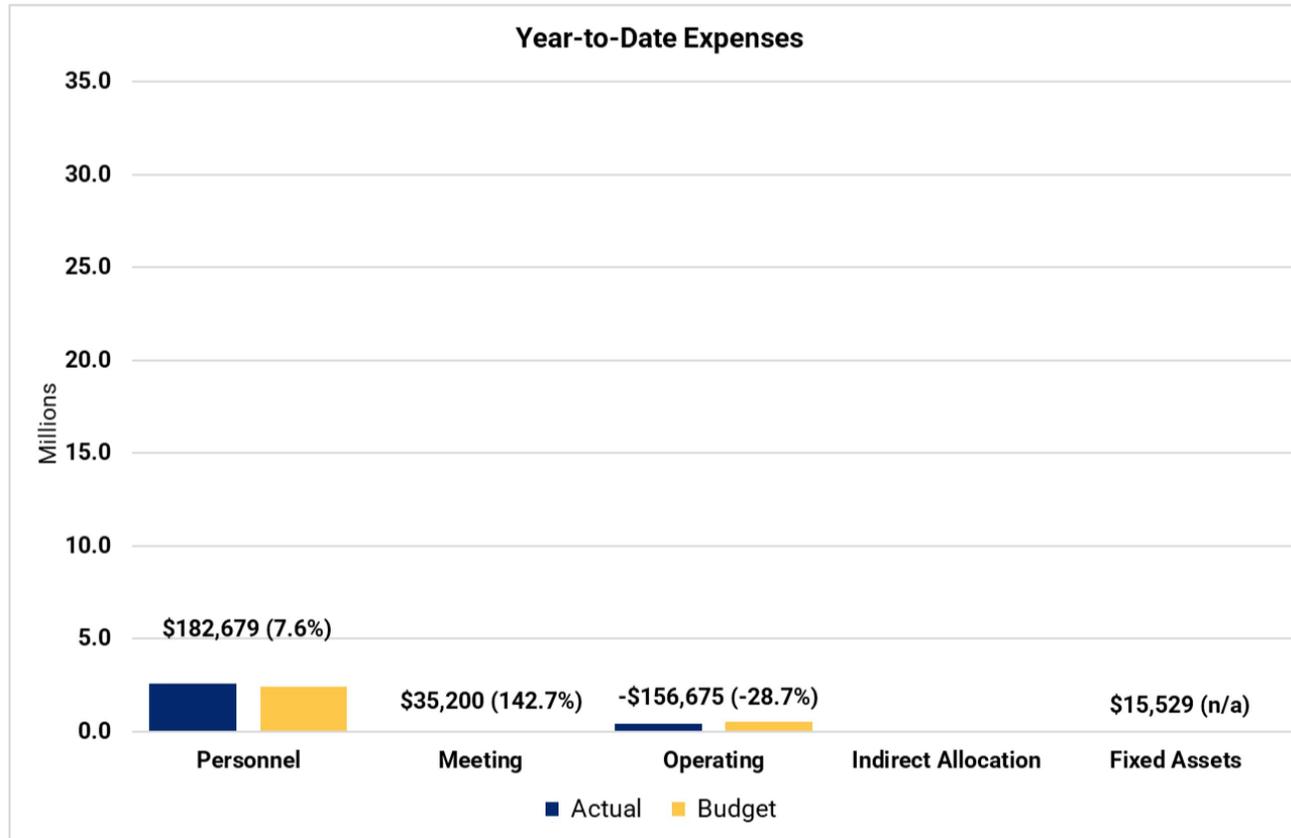
Year-to-Date Statutory Results

- Total funding – \$35.8M
 - Assessments – \$35.7M (at budget)
 - Penalties – \$42K (at budget)
 - Other – \$120K (\$23K/23.4% over budget)
- Total expenditures – \$3.0M (\$77K/2.6% over budget)
 - Personnel Expenses – \$2.6M (\$183K/7.6% over budget)
 - Vacancy, payroll tax, and benefits enrollment rates compared to budget
 - Meeting and Travel Expenses – \$60K (\$35K/142.7% over budget)
 - Timing of actual expenditures compared to budget
 - Operating Expenses – \$389K (\$157K/28.7% under budget)
 - Timing of actual expenditures compared to budget

<Public>



Year-to-Date Statutory Expense Variances



<Public>



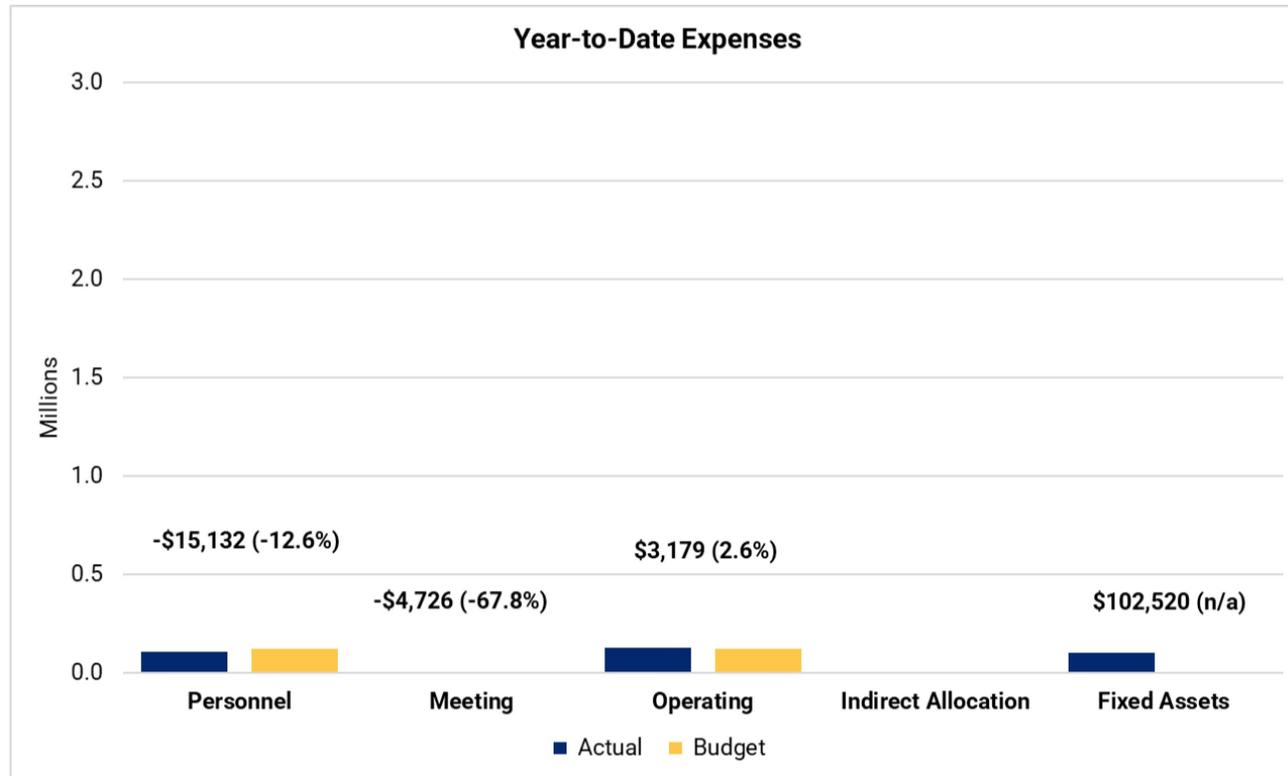
Year-to-Date Non-Statutory Results

- Total funding – \$298K (\$7K/2.1% under budget)
 - Lower-than-budgeted certificate activity and interest income
- Total expenditures – \$335K (\$86K/34.4% over budget)
 - Personnel Expenses – \$105K (\$15K/12.6% under budget)
 - Meeting and Travel Expenses – \$2K (\$5K/67.8% under budget)
 - Operating Expenses – \$125K (\$3K/2.6% over budget)
 - Fixed Assets – \$103K (\$103K over budget)
 - Unbudgeted development costs for new WREGIS custom software

<Public>



Year-to-Date Non-Statutory Expense Variances



<Public>



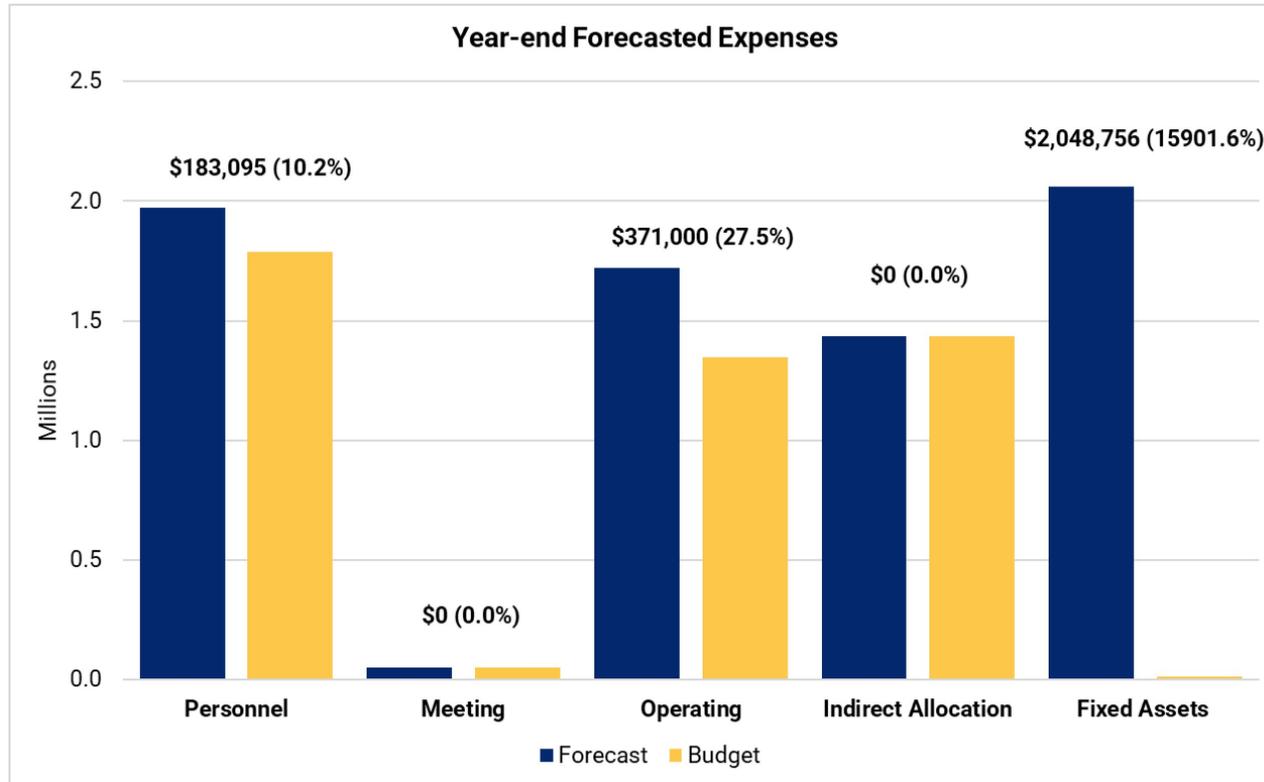
Non-Statutory Year-End Forecast

- Total funding – \$4.1M (\$504K/14.1% over budget)
 - Higher-than-budgeted certificate activity and interest income
- Total expenditures – \$7.2M (\$2.6M/56.1% over budget)
 - Personnel Expenses – \$2.0M (\$183K/10.2% under budget)
 - Three vacant, budgeted FTE converted to higher grade roles (CEO, two developers)
 - Meeting and Travel Expenses – \$51K (at budget)
 - Operating Expenses – \$1.7M (\$371K/27.5% over budget)
 - Unbudgeted software project consulting and legal fees
 - Fixed Assets – \$2.1M (\$2.1/15,901.6% over budget)
 - Unbudgeted development costs for new WREGIS custom software (funded with WREGIS reserves)

<Public>



Non-Statutory Year-end Expense Variances





ENGAGE WITH WECC





www.wecc.org | 801-582-0353



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