



W E C C

2021 Business Plan and Budget Overview

July 23, 2020

Jillian Lessner
VP and CFAO

2021 Statutory Budget and Assessment

- \$28,605,000 budget (3.1% increase from 2020)
- \$25,000,000 assessment (1.1% decrease from 2020)
 - \$524,000 addition to working capital reserves
- 148.5 FTEs (5.5 increase from 2020 FTEs)
- Changes from previous draft
 - \$519,000 additional penalties collected
 - \$69,000 reduction in meeting expenses
- Received two sets of comments



Budget Development Process

- Developed to:
 - Ensure adequate resources
 - Maintain adequate working capital reserves
 - Honor assessment stabilization commitments
 - Support the ERO Enterprise Long-Term Strategy
- Posted working draft for WECC Board of Directors meeting in March 2020
- Participated in Member Advisory Committee Budget Subcommittee meetings



Budget Development Process

- Stakeholder comment period was April 27–May 15, 2020
- Three stakeholder webinars
- Approved by WECC Board of Directors on June 17, 2020



2021 Budget Drivers

Reconciliation of 2020 to 2021 Statutory Budget - Major Drivers

	<u>in 000s</u>	
2020 Approved Budget	27,756	
+ 5.5 FTE, 3% merit, labor float adj., changes in position levels, refinement of taxes/benefits	1,124	
+ IT consulting for CRM, wecc.org updates, and ITSM recommendations	205	
+ Increase in office rent due to entire year of new lease rate	125	
+ Increase in webCDMS licensing fees due to Align	79	
+ Increase in computer licensing due to use of subscription-based services and tools	50	
- Elimination of one-time RAPA consulting projects	(250)	
- Decrease in travel and meeting costs, partially due to COVID-19	(164)	
- Decrease in CMEP travel	(150)	
- Increase in indirect expenses allocated to non-statutory program	(121)	
- Decrease in Standing Committee meeting costs	(68)	
+ Other net changes	19	
2021 Budget	28,605	3.1% increase



2021 Budget by Category

- Personnel Expenses \$22,482,000 (5.3% increase)
 - 5.5 additional FTEs, 3% merit pool, labor float adjustments, changes in position levels, benefit rates and enrollment levels
- Meeting Expenses \$1,732,000 (18.1% decrease)
 - Planned decreases in CMEP audit travel
 - Decreases in Standing Committees meeting costs
 - COVID-19 pandemic-related decreases

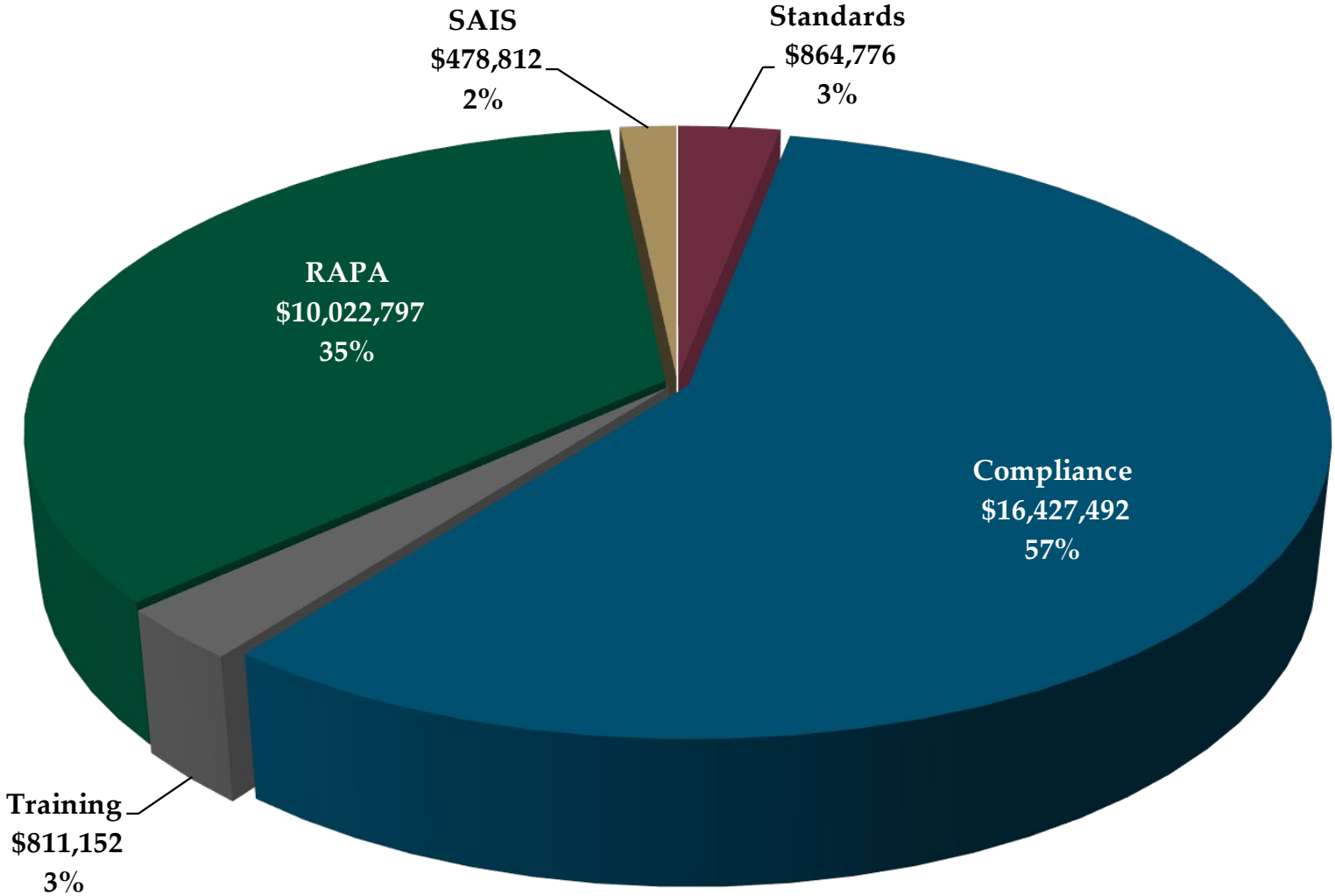


2021 Budget by Category

- Operating Expenses \$4,980,000 (3.8% increase)
 - Increases in IT consulting, decreases in RAPA consulting
 - Rent increases due to entire year of new lease rate
 - Increases in webCDMS licensing fees
 - Increases in subscription-based software licensing
- Fixed Assets \$99,000 (89.4% increase)
 - Increases for software upgrades and equipment refreshes



2021 Budget by Program Area



Projected Reserve Balances

- Current policy is range of 1 to 3 months of Operating Expenses
- Projected 2020 EOY balance of \$8,184,000
- Projected 2021 EOY balance of \$8,708,000
- Reserve balance will be used to stabilize assessments in future budget years



Preliminary 2022 and 2023 Projections

- 2022
 - Budget \$29,119,000 (1.6% increase)
 - Assessment \$25,500,000 (2.0% increase)
- 2023
 - Budget \$29,732,000 (2.1% increase)
 - Assessment \$26,010,000 (2.0% increase)





WECC

Electric Reliability and Security for the West

Contact:

Jillian Lessner

VP and CFAO

jlessner@wecc.org