



**WECC**

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**2021 Business Plan and Budget**

Approved by: WECC Board of Directors

Date: June XX, 2020

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## Introduction

TOTAL RESOURCES (in whole dollars)				
	2021 Budget	U.S.	Canada	Mexico
Statutory FTEs*	148.5			
Non-statutory FTEs	7.0			
<b>Total FTEs</b>	155.5			
Statutory Expenses	\$ 28,575,154			
Non-Statutory Expenses	\$ 2,022,455			
<b>Total Expenses</b>	\$ 30,597,609			
Statutory Incr(Decr) in Fixed Assets	\$ 98,527			
Non-Statutory Incr(Decr) in Fixed Assets	\$ 6,473			
<b>Total Inc(Dec) in Fixed Assets</b>	\$ 105,000			
Statutory Working Capital Requirement**	\$ (63,681)			
Non-Statutory Working Capital Requirement***	\$ 598,904			
<b>Total Working Capital Requirement</b>	\$ 535,223			
Total Statutory Funding Requirement	\$ 28,610,000			
Total Non-Statutory Funding Requirement	\$ 2,627,832			
<b>Total Funding Requirement</b>	\$ 31,237,832			
<b>Statutory Assessments</b>	\$ 25,000,000	n/a	n/a	n/a
<b>Non-Statutory Fees</b>	\$ 2,627,832	n/a	n/a	n/a
NEL****	n/a	n/a	n/a	n/a
NEL%	n/a	n/a	n/a	n/a

## 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), while carrying out the responsibilities of the Regional Entity. WECC operates under a delegation agreement with the North American Electric Reliability Corporation (NERC) and according to its Bylaws. WECC executes its mission while working with a broad community consisting of industry stakeholders 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, compliance risk assessment, and audits and investigations;
- Informed actions, practices, and decisions of industry participants, regulators, and policymakers through reliability planning, performance analysis, situation awareness, and event analysis; and
- Targeted training and outreach to build a culture of reliability and security throughout the West.

WECC's business philosophy is guided by three principles:

***Independence***—We serve the public interest and represent what is best for reliability and security within the Western Interconnection with an impartial and unbiased voice.

***Perspective***—With the purview of the entire Western Interconnection, we are uniquely situated to develop comprehensive and influential work products to assess the reliability and security of the Western Interconnection.

***Partnership***—We collaborate with industry and other organizations to reduce risks to the reliability and security of the Western Interconnection.

WECC's culture enables us to deliver on our critical reliability mission and provide personal and professional fulfillment for our employees. We are transforming the organization to deliver increased value to stakeholders by:

- Increasing our relevance through thought leadership, proactive efforts, and technical competence and credibility;
- Building strong and constructive relationships with NERC and our regional partners, members, and stakeholders;
- Implementing risk-based concepts to provide consistency for industry, and increased flexibility within a rigid framework; and
- Moving the industry toward reliability beyond compliance to promote forward-looking reliability.

## Membership and Governance

WECC has [287289](#) members<sup>1</sup> divided into the following five Membership Classes:

1. Large Transmission Owners;
2. Small Transmission Owners;

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<sup>1</sup> As of ~~February 13~~[April 15](#), 2020.



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; and
5. Representatives of state and provincial governments.

WECC membership is open to any person or entity that has an interest in the reliable operation of the Western Interconnection BPS. WECC membership is not required for participation in the WECC Standards Development process.<sup>2</sup>

WECC is governed by a Board of Directors (Board) composed of nine independent Directors elected by the WECC membership, and WECC's president and CEO as appointed by the Board. The nine Directors are compensated by WECC for their governance and oversight activities.

Four governance committees provide functional oversight of WECC operations:

- Finance and Audit Committee (FAC);
- Governance Committee (GC);
- Human Resources and Compensation Committee (HRCC); and
- Nominating Committee (NC).

Under the direction of the Board, other committees provide technical advice and policy recommendations to the Board:

- Joint Guidance Committee (JGC);
- Market Interface Committee (MIC);
- Member Advisory Committee (MAC);
- Operating Committee (OC);
- Reliability Assessment Committee (RAC); and
- WECC Standards Committee (WSC).

## 2021 Key Assumptions and Strategic Goals

The Board recognizes the electric industry is undergoing profound changes nationally, and especially in the West, and other institutions are involved in furthering the understanding of these changes. While WECC tries not to duplicate the efforts of other qualified entities, the Board believes WECC should proactively address issues for which the impacts to the Western Interconnection's reliability are less understood (e.g., the risk is unique to the Western Interconnection) or for which WECC and its committees can make a significant contribution to Western BPS reliability and security.

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<sup>2</sup> Non-WECC members may participate in standards drafting teams and may vote on RRSs. See WECC's Reliability Standards Development Procedures.

In 2016, the Board established strategic priorities as set forth in the Strategic Direction Outline. These, coupled with the Electric Reliability Organization (ERO) Enterprise-driven programs and Long-term Strategy, guide the work of WECC.

- Monitor progress as proposals are developed for structural changes in the West and be prepared to evaluate potential impacts on reliability.
- Assess the reliability implications of the changing load composition and resource mix in the Western Interconnection, as well as fuel security, resource and transmission adequacy, and BPS stability.
- Identify key vulnerability issues and work with stakeholders to address them.
- Maximize sharing of operating and system data (within agreed parameters), and insights from event analysis including, to the extent possible, near-misses.
- Focus reliability assessment efforts on identifying the impacts and possible mitigation efforts surrounding a handful of future industry evolution scenarios or high-impact, low-probability events.

Additionally, through WECC's Strategic and Operating Planning Process, the Board approved the following Near-Term Priorities at its June 2020 meeting. These Near-Term Priorities serve as input to update committee and program area 2021–2023 work plans. Much of the work related to the Near-Term Priorities involves staff time; examples of activities supporting these priorities are noted in the appropriate statutory program area sections of the business plan.

## Representation of Inverter-Based Resources

Improve the representation of inverter-based resources in WECC's base cases, with a focus on data collection for utility-scale photovoltaic resources, battery storage, and distributed energy resources (DER).

## Impacts of the Changing Resource Mix

*Section to be updated after the  
May 5 Board Workshop*

Evaluate the impacts of the changing resource mix on:

- Existing path ratings;
- Remedial Action Scheme (RAS) effectiveness;
- The expansion of utility-scale energy storage devices;
- Protection system settings (based on fault duty);
- Resource adequacy and the advantages of alternatives for determining resource adequacy;
- The interface between the transmission and distribution systems due to DER, with a focus on modeling techniques that can be used as DER penetration increases; and
- Essential reliability services specific to the Western Interconnection.

## Expansion of RC and Market Service Providers

Evaluate potential reliability risks and mitigating measures, including consideration of Regional Reliability Standards (RRS), caused by the expansion of Reliability Coordinators (RC) and market service providers in the Western Interconnection.

## Clarify Roles in BPS Planning

Improve coordination by clarifying the roles, responsibilities, and relationships among WECC, the Regional Planning Groups, International Planning Groups, Planning Coordinators, Transmission Planners, and other stakeholders involved in BPS [LJ1]planning.

## ERO Enterprise Model and Transformation

The ERO Enterprise strives for consistency when appropriate and recognizes that each Regional Entity addresses reliability in unique ways based on its own challenges and stakeholder needs. The ERO Enterprise model allows Regional Entities to address these unique reliability risks and challenges locally using innovative and distinctive approaches. As the ERO Enterprise continues to mature, it is working on a transformation initiative to further capitalize on resources, enhance communication and collaboration, and ensure grid reliability. A set of declarations was established in 2019, committing the ERO Enterprise to:

- Work together as one team and honor each of its roles;
- Actively support ERO Enterprise activities while eliminating unnecessary duplication of work;
- Collaborate to develop clear and consistent guidance across the ERO Enterprise;
- Share information, knowledge, and resources across the ERO Enterprise;
- Develop and share harmonized messages across ERO Enterprise communications; and
- Support innovation, initiatives, and the sharing of best-practices across the ERO Enterprise.

NERC and the Regional Entities coordinate activities to identify, prioritize, and address risks to reliability. The Regional Entities have similar responsibilities within the ERO Enterprise model:

- Providing input to the overall development of each ERO program area;
- Providing training and development to meet ERO qualifications; and
- Ensuring delegated responsibilities are completed.

Regional Entities also have an obligation to meet professional standards of independence and objectivity and provide the best available expertise for addressing regional risks. This new way of working is encapsulated in the visual.





## ERO Enterprise Long-Term Strategy

In 2019, ERO Enterprise leadership came together to revise the [ERO Enterprise Long-Term Strategy](#) as part of an effort to streamline its strategic and operational documents and ensure alignment with the NERC Reliability Issues Steering Committee's (RISC) currently identified BPS risks. This strategy was acknowledged by the Board on December 4, 2019, as a valuable input to the WECC strategic planning process and recognizes the strategy as a fruitful collaboration by NERC and the Regional Entities.

As part of the business planning and budgeting process, NERC and the Regional Entities identify and discuss program area goals and activities to ensure alignment with the long-term strategy and harmonization across the ERO Enterprise where appropriate. WECC acknowledges and supports the long-term strategy as well as deliverables specific to WECC that are described in each statutory program area in Section A.

## 2021 Overview of Cost Impacts

WECC's proposed 2021 statutory budget is \$~~28,918~~28,674,000, a \$~~1,162~~918,000 (4.23.3%) increase from the 2020 statutory budget. The net increase is mainly due to changes in consulting requirements, decreases in anticipated meeting and travel requirements and costs ([with some of the decrease directly related to anticipated reductions in travel due to the COVID-19 pandemic and increased effectiveness of technology use](#)), increases in rent due to a new lease for the Salt Lake City office, new positions, changes in position levels, a 3% merit pool, and labor float assumption changes based on actual turnover and vacancy rates.

Full-time equivalents (FTE) represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount (HC) represents either vacant or filled positions. Major drivers of the change between the 2021 and 2020 statutory budgets are as follows:

- Personnel Expenses increase by \$~~1,176~~1,124,000 primarily due to new FTEs, changes in position levels, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.
- Meeting Expenses decrease by \$~~244~~317,000 primarily due to [an anticipated increase in remote meetings due to the COVID-19 pandemic and resulting increased effectiveness of technology use](#), [and](#) a reduction in anticipated travel and the cost of Standing Committee meetings.
- Office Rent increases by \$124,000 primarily due to a full year of the new lease rate for the Salt Lake City office.

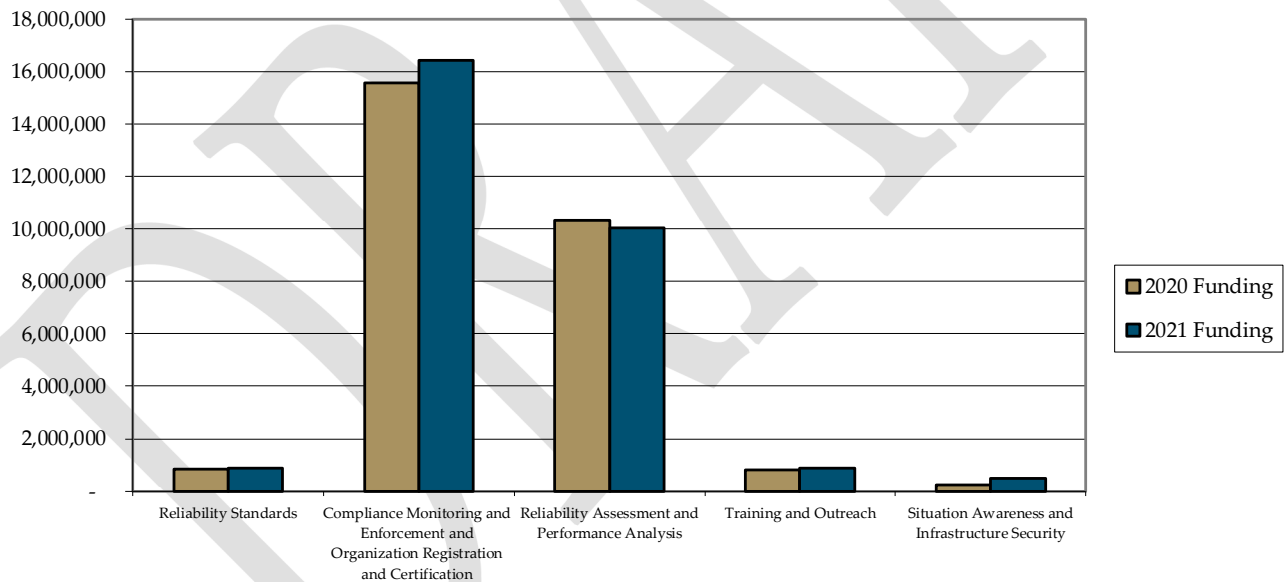




The following table and graphs present a summary of funding requirements for WECC’s primary statutory program areas:

Program	Budget 2020	Projection 2020	Budget 2021	Variance	
				2020 Budget v 2021 Budget	Variance %
Reliability Standards	\$ 837,662	\$ 837,662	\$ 864,920	\$ 27,258	3.3%
Compliance Monitoring and Enforcement and Organization Registration and Certification	15,558,674	15,558,674	16,430,491	871,817	5.6%
Reliability Assessment and Performance Analysis	10,329,057	10,329,057	10,024,579	(304,478)	(2.9%)
Training and Outreach	794,057	794,057	874,783	80,726	10.2%
Situation Awareness and Infrastructure Security	236,639	236,639	478,908	242,269	102.4%
<b>Total By Program</b>	<b>\$ 27,756,089</b>	<b>\$ 27,756,089</b>	<b>\$ 28,673,681</b>	<b>\$ 917,592</b>	<b>3.3%</b>

**Comparison of 2021 to 2020 Budgeted Funding Requirements**



## Personnel Analysis Overview

In the 2021 budget, WECC is adding 5.5 ~~additional~~ FTEs and realigning some positions within program areas due to evolving organizational needs and priorities. Due to efficiencies gained and an open position in Reliability Assessment and Performance Analysis, one position is redeployed to Situation Awareness and Infrastructure Security as an infrastructure security specialist to meet growing cyber and physical security needs. One auditor is added to Compliance Monitoring and Enforcement to address skills gaps and emerging risks due to decreased reliance on contract labor. One external affairs analyst is added to Legal and Regulatory to stay abreast of state and policy issues and decisions that may have an impact on reliability in the Western Interconnection as well as WECC studies. Two enterprise security positions are added to General and Administrative and one information security specialist is added to Information Technology to bolster and formalize WECC's security program and posture. One part-time corporate services administrative assistant is added to Human Resources to free up staff time for more complex tasks and issues.

Details of the additions, transfers, and allocations are discussed in the respective program area sections of the Business Plan and Budget.

Total FTEs by Program Area	Budget 2020	Projection 2020	Direct FTEs 2021 Budget	Shared FTEs* 2021 Budget	Total FTEs 2021 Budget	Change from 2020 Budget
<b>STATUTORY</b>						
<b>Operational Programs</b>						
Reliability Standards	3.0	3.0	3.0	-	3.0	-
Compliance Monitoring and Enforcement and Organization Registration and Certification	61.0	61.0	62.8	-	62.8	1.8
Reliability Assessment and Performance Analysis	38.0	38.0	37.3	-	37.3	(0.7)
Training and Outreach	1.5	1.5	1.5	-	1.5	-
Situation Awareness and Infrastructure Security	1.0	1.0	2.0	-	2.0	1.0
<b>Total FTEs Operational Programs</b>	<b>104.5</b>	<b>104.5</b>	<b>106.6</b>	<b>-</b>	<b>106.6</b>	<b>2.1</b>
<b>Corporate Services</b>						
Technical Committees and Member Forums	-	-	-	-	-	-
General and Administrative	16.50	16.5	18.7	-	18.7	2.20
Legal and Regulatory	7.0	7.0	7.3	-	7.3	0.3
Information Technology	8.0	8.0	9.0	-	9.0	1.0
Human Resources	4.0	4.0	4.0	-	4.0	-
Finance and Accounting	3.00	3.0	3.0	-	3.0	-
<b>Total FTEs Corporate Services</b>	<b>38.5</b>	<b>38.5</b>	<b>42.0</b>	<b>-</b>	<b>42.0</b>	<b>3.5</b>
<b>Total FTEs</b>	<b>143.0</b>	<b>143.0</b>	<b>148.5</b>	<b>-</b>	<b>148.5</b>	<b>5.5</b>

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



## 2020 Statutory Budget and Projection and 2021 Budget Comparisons

### Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget

#### STATUTORY

	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 25,282,000	\$ 25,282,000	\$ -	\$ 25,000,000	\$ (282,000)
Penalty Sanctions	2,745,000	2,745,000	-	2,980,000	235,000
<b>Total Statutory Funding</b>	<b>\$ 28,027,000</b>	<b>\$ 28,027,000</b>	<b>\$ -</b>	<b>\$ 27,980,000</b>	<b>\$ (47,000)</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	457,250	457,250	-	430,000	(27,250)
Interest	200,000	200,000	-	200,000	-
<b>Total Revenue (A)</b>	<b>\$ 28,684,250</b>	<b>\$ 28,684,250</b>	<b>\$ -</b>	<b>\$ 28,610,000</b>	<b>\$ (74,250)</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 16,475,075	\$ 16,475,075	\$ -	\$ 17,447,448	\$ 972,373
Payroll Taxes	1,074,352	1,074,352	-	1,144,116	69,764
Benefits	2,377,007	2,377,007	-	2,390,953	13,946
Retirement Costs	1,431,482	1,431,482	-	1,499,399	67,917
<b>Total Personnel Expenses</b>	<b>\$ 21,357,916</b>	<b>\$ 21,357,916</b>	<b>\$ -</b>	<b>\$ 22,481,916</b>	<b>\$ 1,124,000</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 714,095	\$ 714,095	\$ -	\$ 645,190	\$ (68,905)
Travel	1,401,818	1,401,818	-	1,153,873	(247,945)
<b>Total Meeting Expenses</b>	<b>\$ 2,115,913</b>	<b>\$ 2,115,913</b>	<b>\$ -</b>	<b>\$ 1,799,063</b>	<b>\$ (316,850)</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ 1,038,160	\$ 1,038,160	\$ -	\$ 988,500	\$ (49,660)
Office Rent	1,248,251	1,248,251	-	1,372,346	124,095
Office Costs	1,557,312	1,557,312	-	1,665,299	107,987
Professional Services	953,790	953,790	-	955,800	2,010
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 4,797,513</b>	<b>\$ 4,797,513</b>	<b>\$ -</b>	<b>\$ 4,981,945</b>	<b>\$ 184,432</b>
<b>Total Direct Expenses</b>	<b>\$ 28,271,342</b>	<b>\$ 28,271,342</b>	<b>\$ -</b>	<b>\$ 29,262,924</b>	<b>\$ 991,582</b>
<b>Indirect Expenses</b>	<b>\$ (567,267)</b>	<b>\$ (567,267)</b>	<b>\$ -</b>	<b>\$ (687,770)</b>	<b>\$ (120,503)</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 27,704,075</b>	<b>\$ 27,704,075</b>	<b>\$ -</b>	<b>\$ 28,575,154</b>	<b>\$ 871,079</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 980,175</b>	<b>\$ 980,175</b>	<b>\$ -</b>	<b>\$ 34,846</b>	<b>\$ (945,329)</b>
<b>Fixed Asset Additions, excluding Right of Use Assets (C)</b>	<b>\$ 52,014</b>	<b>\$ 52,014</b>	<b>\$ -</b>	<b>\$ 98,527</b>	<b>\$ 46,513</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 27,756,089</b>	<b>\$ 27,756,089</b>	<b>\$ -</b>	<b>\$ 28,673,681</b>	<b>\$ 917,592</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 928,161</b>	<b>\$ 928,161</b>	<b>\$ -</b>	<b>\$ (63,681)</b>	<b>\$ (991,842)</b>
FTEs	143.0	143.0	-	148.5	5.5
HC	143.0	143.0	-	148.0	5.0





# Section A

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**Statutory Programs**

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## Section A—Statutory Programs

### Reliability Standards Program

Reliability Standards Program (in whole dollars)			
	2020 Budget	2021 Budget	Increase (Decrease)
Total FTEs	3.0	3.0	-
Direct Expenses	\$ 552,536	\$ 567,386	\$ 14,850
Indirect Expenses	\$ 283,633	\$ 294,759	\$ 11,126
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 1,493	\$ 2,775	\$ 1,282
Total Funding Requirement	\$ 837,662	\$ 864,920	\$ 27,258

#### Program Scope and Functional Description

The Reliability Standards Program supports the NERC Reliability Standards Program and **facilitates** **aids** the development of RRSs, Regional Variances to NERC Reliability Standards, and Regional Criteria.

The Reliability Standards Program also conducts 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, or a finding that no changes are necessary if the document is no longer needed for reliability.

WECC supports the development of Regional Variances to NERC Reliability Standards when it is necessary to address Western Interconnection reliability issues. The variances are necessitated by a physical difference in the BPS or instances in which Western stakeholders want a more stringent performance. WECC will only develop an RRS, rather than a variance, when no NERC Reliability Standard exists to address a reliability issue.

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.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy **as well as and** deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.



## 2021 Key Assumptions

- The number of RRS projects will remain low, with most focusing on potential retirement of existing RRSs, due to the subject matter being included in NERC Continent-wide Standards. 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 ~~voluntary stakeholder participation~~ volunteers.
- Continued ~~to rely~~ reliance on stakeholder volunteers to staff most NERC Standards drafting teams. ~~Members of staff~~ WECC employees may, at times, participate as drafting team members or observers.
- Integration of renewable resources and related energy storage devices may require new or modified NERC Reliability Standards or RRSs. WECC supports, and will participate in, the enhanced periodic reviews of NERC Reliability Standards and the NERC Standards Grading effort, when appropriate.
- Inverter-based resource growth may determine the need for a new RRS or a Regional Variance to NERC Reliability Standards.
- Increases in the effective use of technology in response to the COVID-19 pandemic will result in a slight decrease in travel for in-person meetings.

## 2021 Goals and Deliverables

- Represent the perspective of the Western Interconnection in NERC Continent-wide Reliability Standards or, if necessary, through the development of Regional Variances or RRSs if a NERC Continent-wide Standard addressing a Western Interconnection reliability issue does not exist.
- Ensure the RRSs and Regional Criteria developed using the WECC Reliability Standards Development Procedures meet the needs of the Western stakeholders.
- Ensure development of RRSs and Regional Criteria is performed according to the most recent WECC Reliability Standards Development Procedures.
- Actively participate in the communication of NERC Standards drafting teams' activities to the Western stakeholders.
- Continue to review existing RRSs to determine whether any are candidates for incorporation as a Regional Variance to a NERC Continent-wide Reliability Standard and, if so, coordinate with NERC to address the incorporation during NERC's next enhanced periodic review of the NERC Reliability Standard(s).
- Conduct periodic reviews of existing RRSs and Regional Criteria to improve their content and quality.

- Evaluate information obtained from audit and enforcement experiences as well as and information learned through events analysis to determine whether any new RRSs or revisions to existing RRSs are necessary.

### **Resource Requirements/Explanation of Significant Changes**

#### *Personnel Expenses*

- Personnel Expenses increase by a net of \$15,000 primarily due to a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

#### *Meeting Expenses*

- No significant changes.

#### *Operating Expenses*

- No significant changes.

#### *Fixed Assets*

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2020 and 2021 budgets.



## Reliability Standards Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
RELIABILITY STANDARDS					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 781,127	\$ 781,127	\$ -	\$ 773,464	\$ (7,663)
Penalty Sanctions	78,804	78,804	-	83,904	5,100
<b>Total Statutory Funding</b>	<u>\$ 859,931</u>	<u>\$ 859,931</u>	<u>\$ -</u>	<u>\$ 857,368</u>	<u>\$ (2,563)</u>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	5,742	5,742	-	5,631	(111)
<b>Total Revenue (A)</b>	<u>\$ 865,673</u>	<u>\$ 865,673</u>	<u>\$ -</u>	<u>\$ 862,999</u>	<u>\$ (2,674)</u>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 427,045	\$ 427,045	\$ -	\$ 438,520	\$ 11,475
Payroll Taxes	26,752	26,752	-	27,803	1,051
Benefits	39,901	39,901	-	41,062	1,161
Retirement Costs	37,153	37,153	-	38,151	998
<b>Total Personnel Expenses</b>	<u>\$ 530,851</u>	<u>\$ 530,851</u>	<u>\$ -</u>	<u>\$ 545,536</u>	<u>\$ 14,685</u>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	18,250	18,250	-	17,550	(700)
<b>Total Meeting Expenses</b>	<u>\$ 18,250</u>	<u>\$ 18,250</u>	<u>\$ -</u>	<u>\$ 17,550</u>	<u>\$ (700)</u>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	3,435	3,435	-	4,300	865
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>\$ 3,435</u>	<u>\$ 3,435</u>	<u>\$ -</u>	<u>\$ 4,300</u>	<u>\$ 865</u>
<b>Total Direct Expenses</b>	<u>\$ 552,536</u>	<u>\$ 552,536</u>	<u>\$ -</u>	<u>\$ 567,386</u>	<u>\$ 14,850</u>
<b>Indirect Expenses</b>	<u>\$ 283,633</u>	<u>\$ 283,633</u>	<u>\$ -</u>	<u>\$ 294,759</u>	<u>\$ 11,126</u>
<b>Other Non-Operating Expenses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Expenses (B)</b>	<u>\$ 836,169</u>	<u>\$ 836,169</u>	<u>\$ -</u>	<u>\$ 862,145</u>	<u>\$ 25,976</u>
<b>Change in Net Assets (=A-B)</b>	<u>\$ 29,504</u>	<u>\$ 29,504</u>	<u>\$ -</u>	<u>\$ 854</u>	<u>\$ (28,650)</u>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<u>\$ 1,493</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ 1,282</u>
<b>TOTAL BUDGET (B+C)</b>	<u>\$ 837,662</u>	<u>\$ 837,662</u>	<u>\$ -</u>	<u>\$ 864,920</u>	<u>\$ 27,258</u>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<u>\$ 28,011</u>	<u>\$ 28,011</u>	<u>\$ -</u>	<u>\$ (1,921)</u>	<u>\$ (29,932)</u>
FTEs	3.0	3.0	-	3.0	-
HC	3.0	3.0	-	3.0	-



## Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2020 Budget	2021 Budget	Increase (Decrease)
Total FTEs	61.0	62.8	1.8
Direct Expenses	\$ 9,761,102	\$ 10,207,096	\$ 445,994
Indirect Expenses	\$ 5,767,210	\$ 6,165,370	\$ 398,160
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 30,362	\$ 58,025	\$ 27,663
Total Funding Requirement	\$ 15,558,674	\$ 16,430,491	\$ 871,817

### Program Scope and Functional Description

The Compliance Monitoring and Enforcement and Organization Registration and Certification Program (CMEP) is implemented by Reliability and Security Oversight and Enforcement staff, who are independent of all users, owners, and operators of the BPS.

To accomplish its objectives, staff is divided into five main areas:

1. Organization Registration;
2. Risk Assessment and Mitigation;
3. Compliance Monitoring;
4. Enforcement; and
5. Oversight Analysis and Program Services.

WECC will continue to conduct its monitoring and enforcement activities in accordance to the Board-endorsed Regulatory Philosophy, the key tenets of which are:

- Be an informed regulator;
- Identify top risks to reliability and security;
- Exercise discretion responsibly; and
- Enforce fairly.

Staff monitors and enforces the FERC-approved NERC Reliability Standards across 392,391<sup>3</sup> registered owners, operators, and users of the BPS through a variety of risk-based activities.

Staff will support ERO Enterprise-level initiatives, which include the following activities:

<sup>3</sup> As of February 13/April 15, 2020.



- Regional Reliability Risk Assessments;
- Compliance Oversight Plan (COP) and Inherent Risk Assessments (IRA);
- Organization Registration;
- Mitigation plan reviews, acceptance, approvals, and verification;
- Review of potential noncompliance to assess root cause and risk to BPS;
- Processing and disposition of self-logged, minimal-risk issues;
- Enforcement activities according to established risk-based approaches;
- Review and validation of periodic data submittals;
- Internal compliance program assessments;
- Compliance monitoring activities, such as audits, spot-checks, self-certifications, investigations, and assessments of complaints; and
- Bulk Electric System (BES) Exception request activities.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy as well as deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.

### **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), the British Columbia Utilities Commission (BCUC), and Mexico's Comisión Reguladora de Energía (CRE), under which WECC performs various compliance monitoring and enforcement activities to help ensure reliability across international borders within the Western Interconnection.

### **2021 Key Assumptions**

The CMEP incorporates the following assumptions:

- Address known and future reliability risks by monitoring the FERC-approved NERC Reliability Standards for applicable entities through audits, investigations, self-certifications, or spot-checks. Apply a risk-based approach that covers and ensures all audit, on-site and/off-site, and post-audit activities are completed according to the NERC Rules of Procedure and the CMEP within the United States. With respect to non-U.S. jurisdictions, monitor compliance according to the approved agreements and applicable compliance monitoring programs with Canadian and Mexican authorities.
- Develop and implement compliance oversight plans for registered entities. The plans focus on relevant risks, including consideration of inherent risk assessments IRAs, entity performance



history, other operational risks based on performance considerations, and the effectiveness of internal controls.

- Continue working in consultation with the international compliance enforcement authorities to determine which elements of the risk-based CMEP should be incorporated in the respective programs for international entities. Currently, WECC does not conduct IRAs or develop COPs for international entities.
- Allocate resources and provide support for the implementation of cybersecurity Reliability Standards for CIP low-impact training, coordination, and facilitation of ERO Enterprise efforts and initiatives.
- Resource allocation will continue for activities associated with registration. Participate in NERC-led, centralized review panel sessions as part of the application process for materiality tests of the risk-based registration process outlined in Appendix 5A of the NERC Rules of Procedure. Continue to review, assess, validate, and submit registration recommendations to NERC for new registrations, partial deactivations, transfer of access, and full deregistration changes affecting the NERC Compliance Registry (NCR).
- Fully support ERO Enterprise efforts and activities to evaluate business practices, tools, consistency, implementation, and guidance within the risk-based CMEP. Provide feedback to the ERO Enterprise on emerging and existing risks, with an emphasis on standards development, standards modification, audit and monitoring approaches, and potential gaps.
- Use the results of the Regional Risk Assessment (RRA) to provide input in building areas of focus in the ERO CMEP Implementation Plan.
- WECC does not foresee any hearings in 2021. Any costs related to a hearing that may occur will be funded through working capital reserves.
- WECC does not foresee any new or revised Standards in 2021 that would require increased resources.
- Align implementation will occur throughout 2021. This will be a significant effort for all CMEP staff. However, WECC does not foresee this effort requiring additional resources in 2021.~~Placeholder for Align assumptions.~~
- One new auditor position is added, to address skills gaps and emerging risks, due to decreased reliance on contract labor.
- 0.75 FTE is transferred from Legal and Regulatory due to organizational realignment and changes in Executive Team responsibilities and focus~~based on business need and to align costs with scope of work.~~
- Increases in the effective use of technology in response to the COVID-19 pandemic will result in a slight decrease in travel for in-person meetings.

## 2021 Goals and Deliverables

- Continue to support the transition to Align by providing outreach and training to [staff and](#) registered entities.
- Process and complete organization registration request reviews, validations, and recommendations to NERC according to risk-based registration activities and initiatives.
- Process all BES Exception submittals.
- Participate in ERO Enterprise working groups to ensure consistency in processing registration requests according to the NERC Rules of Procedure outlined in Appendix 5B (Statement of Compliance Registry Criteria).
- Monitor and enforce compliance with mandatory standards according to the WECC-NERC Delegation Agreement, including the Rules of Procedure and the CMEP within the U.S. With respect to non-U.S. jurisdictions, monitor compliance according to the approved agreements and applicable compliance monitoring programs with Canadian and Mexican authorities.
- Complete 17 audits with an on-site component, as required by the NERC Rules of Procedure and agreements with Canadian jurisdictions. Additional monitoring activities (e.g., audits, spot-checks, self-certifications with supporting evidence) will be scheduled based on risk to the BES.
- Complete initial IRAs and COPs for all new registrations in 2021.
- Participate in ERO Enterprise working groups to build consistency in long term planning and risk-based monitoring.
- Gather and review risk reports and operations information to update WECC's RRA of the Western Interconnection.
- Work with registered entities [with](#)in the Western Interconnection to promote a strong culture of reliability and security by focusing on known and future risks.
- Promote the benefits of internal controls programs and their impact on BPS reliability with registered entities.
- Represent the Western Interconnection in the development of NERC and regional initiatives.
- Conduct industry outreach in various forums—webinars, conferences, and entity-specific engagements—to support ERO Enterprise activities and priorities.
- Monitor and manage enforcement measures and metrics in support of the ERO Enterprise Strategic Plan, including caseload index, violation aging, and mitigation plan aging; and collaborate with the ERO Enterprise to develop better measures of program effectiveness.
- Continue working with NERC and the other Regional Entities to shape and refine the ERO Enterprise enforcement philosophy that supports uniform, repeatable, transparent, and reliability-focused approaches.
- Conduct initial evaluation of any new noncompliance, and the resulting resolution of enforcement actions, in a timely manner using a reliability risk-based focus. Ensure enforcement discretion is consistent with NERC directives and FERC Orders, rules, and regulations.



## Resource Requirements/Explanation of Significant Changes

### *Personnel Expenses*

- Personnel Expenses increase by a net of \$524512,000 primarily due to ~~a~~one new auditor position, 0.75 FTE transferred from Legal and Regulatory, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

### *Meeting Expenses*

- Travel decreases by \$136157,000 primarily due to planned reductions in travel requirements for audit teams and support staff and the anticipated reduction in in-person meeting attendance because of the COVID-19 pandemic and resulting increases in effective technology use.

### *Operating Expenses*

- Office Costs increase by a net of \$89,000 primarily due to the delay in the implementation of Align and the resulting extension of webCDMS licensing fees.

### *Fixed Assets*

- Fixed Assets increase by a net of \$11128,000 primarily due to fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

See Section B—Supplemental Financial Information for explanations of other variances between the 2020 and 2021 budgets.

## Compliance Monitoring and Enforcement and Organization Registration and Certification Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
COMPLIANCE MONITORING AND ENFORCEMENT AND ORGANIZATION REGISTRATION AND CERTIFICATION					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 14,359,865	\$ 14,359,865	\$ -	\$ 14,521,218	\$ 161,353
Penalty Sanctions	1,602,344	1,602,344	-	1,754,998	152,654
<b>Total Statutory Funding</b>	<b>\$ 15,962,209</b>	<b>\$ 15,962,209</b>	<b>\$ -</b>	<b>\$ 16,276,216</b>	<b>\$ 314,007</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	116,746	116,746	-	117,785	1,039
<b>Total Revenue (A)</b>	<b>\$ 16,078,955</b>	<b>\$ 16,078,955</b>	<b>\$ -</b>	<b>\$ 16,394,001</b>	<b>\$ 315,046</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 6,889,592	\$ 6,889,592	\$ -	\$ 7,314,902	\$ 425,310
Payroll Taxes	471,719	471,719	-	504,576	32,857
Benefits	783,899	783,899	-	807,824	23,925
Retirement Costs	598,756	598,756	-	629,057	30,301
<b>Total Personnel Expenses</b>	<b>\$ 8,743,966</b>	<b>\$ 8,743,966</b>	<b>\$ -</b>	<b>\$ 9,256,359</b>	<b>\$ 512,393</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 1,505	\$ 1,505	\$ -	\$ 3,380	\$ 1,875
Travel	812,183	812,183	-	654,743	(157,440)
<b>Total Meeting Expenses</b>	<b>\$ 813,688</b>	<b>\$ 813,688</b>	<b>\$ -</b>	<b>\$ 658,123</b>	<b>\$ (155,565)</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	203,448	203,448	-	292,614	89,166
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 203,448</b>	<b>\$ 203,448</b>	<b>\$ -</b>	<b>\$ 292,614</b>	<b>\$ 89,166</b>
<b>Total Direct Expenses</b>	<b>\$ 9,761,102</b>	<b>\$ 9,761,102</b>	<b>\$ -</b>	<b>\$ 10,207,096</b>	<b>\$ 445,994</b>
<b>Indirect Expenses</b>					
	<b>\$ 5,767,210</b>	<b>\$ 5,767,210</b>	<b>\$ -</b>	<b>\$ 6,165,370</b>	<b>\$ 398,160</b>
<b>Other Non-Operating Expenses</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 15,528,312</b>	<b>\$ 15,528,312</b>	<b>\$ -</b>	<b>\$ 16,372,466</b>	<b>\$ 844,154</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 550,643</b>	<b>\$ 550,643</b>	<b>\$ -</b>	<b>\$ 21,535</b>	<b>\$ (529,108)</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 30,362</b>	<b>\$ 30,362</b>	<b>\$ -</b>	<b>\$ 58,025</b>	<b>\$ 27,663</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 15,558,674</b>	<b>\$ 15,558,674</b>	<b>\$ -</b>	<b>\$ 16,430,491</b>	<b>\$ 871,817</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 520,281</b>	<b>\$ 520,281</b>	<b>\$ -</b>	<b>\$ (36,490)</b>	<b>\$ (556,771)</b>
FTEs	61.0	61.0	-	62.8	1.8
HC	61.0	61.0	-	62.0	1.0





## Reliability Assessment and Performance Analysis

Reliability Assessment and Performance Analysis (in whole dollars)			
	2020 Budget	2021 Budget	Increase (Decrease)
Total FTEs	38.0	37.3	(0.7)
Direct Expenses	\$ 6,717,454	\$ 6,325,255	\$ (392,199)
Indirect Expenses	\$ 3,592,689	\$ 3,664,833	\$ 72,144
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 18,914	\$ 34,491	\$ 15,577
Total Funding Requirement	\$ 10,329,057	\$ 10,024,579	\$ (304,478)

### Program Scope and Functional Description

Staff conducts a variety of assessments, analyses, and studies essential to the reliable planning and operation of the BPS in the Western Interconnection. Staff also compiles and distributes data and information used by stakeholders to help with regional and local planning studies. These integrated assessment and planning efforts enhance WECC's overall ability to assess potential reliability risks in the Western Interconnection.

The Reliability Assessment and Performance Analysis (RAPA) Program is organized into three departments:

1. The **Performance Analysis and Resource Adequacy Department** conducts robust analyses on the historical operation and performance of the Western Interconnection. These analyses are building blocks to assess interconnection-wide risks and vulnerabilities. The information produced helps to identify best practices and mitigate potential risk. The department also conducts forward-looking resource adequacy assessments using both deterministic and probabilistic methods.
2. The **Events Analysis Department** analyzes system conditions and events that ~~impact~~affect or have the potential to ~~impact~~affect the reliable operation of the BPS. The department's activities ensure that stakeholders, NERC, and FERC are well-informed of system events, emerging trends, lessons learned, and expected actions ~~impacting~~affecting BPS reliability.

3. The **Reliability Planning Department** develops and maintains WECC’s integrated capability to study Western Interconnection reliability issues for the near- and long-term planning horizon. The group is the NERC-designated, interconnection-wide model builder under the MOD-032 Reliability Standard. The department develops the planning tools and datasets that support transmission planning, and performs special studies on priority reliability issues as they are identified. The studies, performed in close collaboration with the technical committees, consider both system adequacy and system stability.

The RAPA Program also supports the development of NERC’s RAPA activities through targeted data gathering and participation in the Summer, Winter, Long-Term Reliability, and Special Assessments.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy as well as and deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.

## 2021 Key Assumptions

The RAPA Program includes the following assumptions:

- Staff and technical committees continue to focus on assessment activities that address the Strategic Priority areas identified by the Board in December 2016 and the Near-Term Priorities approved by the Board in June 2018 and to be updated in June 2020.
- WECC will implement the recommendations from the Section 4.9 Stakeholder Engagement Work Group, which will increase subject matter expert engagement at technical committees and for staff-led assessments.
- Building on the NERC RISC Report, staff and stakeholders will continue to play a leadership role in identifying reliability challenges specific to the Western Interconnection.
- In 2019, the RAC re-envisioned its assessment process and moved toward issue-based assessments. Staff will refine the approach in 2021 and work with stakeholders and policymakers to identify key vulnerabilities.
- New grid technologies and power system changes will create a need for modeling enhancements and data collection.
- One FTE is transferred to Situation Awareness and Infrastructure Security to enhance externally facing infrastructure, physical security and cyber-security expertise, and support the ERO Enterprise Security Initiative.
- 0.5 FTE is transferred from Human Resources to assist with knowledge transfer from seasoned engineers who are close to retirement age to others in the program area.
- 0.2 FTE is transferred to General and Administrative due to organizational realignment based on business need and to align costs with scope of work and a change in administrative support supervisory responsibilities.



- [Increases in the effective use of technology in response to the COVID-19 pandemic will result in a slight decrease in travel for in-person meetings.](#)

## 2021 Goals and Deliverables

- Continue the three-year planning cycle, in conjunction with the JGC, to align staff and technical committee work plans in support of the Board-approved Near-Term Priorities.
- Coordinate with stakeholders and NERC to ensure that emerging reliability challenges are identified and addressed.
- Prepare interconnection-wide power flow and stability base cases and conduct studies to address key reliability challenges facing the Western Interconnection.
- Provide technical oversight, insight, and guidance to analyze the effects of the changing resource mix and recommend any actions to minimize reliability risks or improve modeling capabilities.
- Create and model alternate plausible futures for the Western Interconnection, considering technical, economic, policy, and other drivers.
- Identify and apply lessons learned from the development of the 2030 Anchor Data Set (ADS).
- Facilitate dynamic model development, focusing on new technology resources like energy storage.
- Continue to develop and maintain database(s) for production cost and other models.
- Enhance tools and capabilities used for probabilistic planning and analysis.
- Enhance tools to study the impact of changing load characteristics and integration of new technology resources.
- Conduct reliability assessments that evaluate the adequacy and security of the BPS in the planning horizon, including supporting the NERC Long-Term Reliability Assessment and incorporated probabilistic assessment, Summer Reliability Assessment, and Winter Reliability Assessment.
- Conduct Special Reliability Assessments as needed for high-impact, low-frequency events such as geomagnetic disturbances or prolonged droughts and to study the impacts of integrating new technology resources.
- Use data from actual system disturbances to validate power flow and stability base-case models.
- Publish transmission maps of the Western Interconnection.
- Facilitate the Project Coordination and Project Rating Review Process.
- Collect and make short-circuit models available for industry coordination.
- Verify and submit NERC Transmission Availability Data System (TADS), Generator Availability Data System (GADS), Demand-Response Availability Data System (DADS), and Misoperation Information Data Analysis System (MIDAS) filings.

- Analyze trends in historical system performance and resource and load ~~composition,~~ and composition and publish them in reports like the annual State of the Interconnection report.
- Assess entity performance through site visits or short surveys regarding key operational practices to identify and share best practices and potential risks to reliability.
- Evaluate historical system performance trends to identify reliability risk metrics, key indicators, and potential improvement strategies. Work with technical committees to engage in proactive reliability improvement activities.
- Enhance risk analysis capabilities through increased analysis of risk data sources such as Event Analysis reports, TADS, GADS, and protection system misoperations.
- Identify key vulnerability issues and work with stakeholders to address them (e.g., physical and cybersecurity, situation awareness and coordination across neighboring systems, human performance, and equipment misoperations or failures).
- Complete event analysis reports and develop lessons learned to minimize the possibility and reoccurrence of significant events.
- Educate stakeholders about event analysis work and specific events on the system.
- Develop Reliability Guidelines, technical white papers and reports, and reference documents to address emerging issues, operational risks, and industry concerns related to system operations.
- Ensure the Western Interconnection is represented in reliability matters by participating in regional and national stakeholder forums.

## Resource Requirements/Explanation of Significant Changes

### *Personnel Expenses*

- Personnel Expenses decrease by a net of \$7194,000 primarily due to a net of one FTE transferred to Situation Awareness and Infrastructure Security, 0.5 FTE transferred from Human Resources, 0.2 FTE transferred to General and Administrative, a budgeted 3% merit pool, continued refinement of labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

### *Meeting Expenses*

- Meetings & Conference Calls decrease by a net of \$19,330,000 primarily due to the [anticipated reduction in in-person meetings because of the COVID-19 pandemic and resulting increases in the effective use of technology, continued](#) refinement of meeting attendance and costs, and the restructuring of the RAC in 2020.
- Travel decreases by a net of \$3235,000 primarily due to the [anticipated reduction in in-person meeting attendance because of the COVID-19 pandemic and resulting increases in the effective use of technology, and](#) refinement of travel cost assumptions.



*Operating Expenses*

- Consultants & Contracts decrease by a net of \$250,000 primarily due to the completion of one-time 2020 study work.
- Office Costs increase by a net of \$19,000 primarily due to the addition of a PowerWorld software license.

*Fixed Assets*

- Fixed Assets increase by a net of \$6516,000 primarily due to fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

See Section B—Supplemental Financial Information for explanations of other variances between the 2020 and 2021 budgets.

## Reliability Assessment and Performance Analysis Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 9,603,551	\$ 9,603,551	\$ -	\$ 8,889,092	\$ (714,459)
Penalty Sanctions	998,182	998,182	-	1,043,210	45,028
<b>Total Statutory Funding</b>	<b>\$ 10,601,733</b>	<b>\$ 10,601,733</b>	<b>\$ -</b>	<b>\$ 9,932,302</b>	<b>\$ (669,431)</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	72,727	72,727	-	70,014	(2,713)
<b>Total Revenue (A)</b>	<b>\$ 10,674,460</b>	<b>\$ 10,674,460</b>	<b>\$ -</b>	<b>\$ 10,002,316</b>	<b>\$ (672,144)</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 4,371,606	\$ 4,371,606	\$ -	\$ 4,314,753	\$ (56,853)
Payroll Taxes	299,047	299,047	-	295,396	(3,651)
Benefits	519,073	519,073	-	491,141	(27,932)
Retirement Costs	380,135	380,135	-	374,735	(5,400)
<b>Total Personnel Expenses</b>	<b>\$ 5,569,861</b>	<b>\$ 5,569,861</b>	<b>\$ -</b>	<b>\$ 5,476,025</b>	<b>\$ (93,836)</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 77,685	\$ 77,685	\$ -	\$ 45,180	\$ (32,505)
Travel	245,010	245,010	-	210,070	(34,940)
<b>Total Meeting Expenses</b>	<b>\$ 322,695</b>	<b>\$ 322,695</b>	<b>\$ -</b>	<b>\$ 255,250</b>	<b>\$ (67,445)</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ 600,000	\$ 600,000	\$ -	\$ 350,000	\$ (250,000)
Office Rent	-	-	-	-	-
Office Costs	224,898	224,898	-	243,980	19,082
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 824,898</b>	<b>\$ 824,898</b>	<b>\$ -</b>	<b>\$ 593,980</b>	<b>\$ (230,918)</b>
<b>Total Direct Expenses</b>	<b>\$ 6,717,454</b>	<b>\$ 6,717,454</b>	<b>\$ -</b>	<b>\$ 6,325,255</b>	<b>\$ (392,199)</b>
<b>Indirect Expenses</b>	<b>\$ 3,592,689</b>	<b>\$ 3,592,689</b>	<b>-</b>	<b>\$ 3,664,833</b>	<b>\$ 72,144</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 10,310,143</b>	<b>\$ 10,310,143</b>	<b>\$ -</b>	<b>\$ 9,990,088</b>	<b>\$ (320,055)</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 364,317</b>	<b>\$ 364,317</b>	<b>\$ -</b>	<b>\$ 12,228</b>	<b>\$ (352,089)</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 18,914</b>	<b>\$ 18,914</b>	<b>\$ -</b>	<b>\$ 34,491</b>	<b>\$ 15,577</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 10,329,057</b>	<b>\$ 10,329,057</b>	<b>\$ -</b>	<b>\$ 10,024,579</b>	<b>\$ (304,478)</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 345,403</b>	<b>\$ 345,403</b>	<b>\$ -</b>	<b>\$ (22,263)</b>	<b>\$ (367,666)</b>
FTEs	38.0	38.0	-	37.3	(0.7)
HC	39.0	39.0	-	38.0	(1.0)

## Training and Outreach

<b>Training and Outreach</b> (in whole dollars)			
	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>Increase (Decrease)</b>
Total FTEs	1.5	1.5	-
Direct Expenses	\$ 651,493	\$ 726,017	\$ 74,524
Indirect Expenses	\$ 141,817	\$ 147,379	\$ 5,562
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 747	\$ 1,387	\$ 640
Total Funding Requirement	\$ 794,057	\$ 874,783	\$ 80,726

### Program Scope and Functional Description

The Training and Outreach Program provides outreach, education, and training on the application of Reliability Standards, compliance issues, improvement of compliance programs, reliability planning and performance analysis, grid operations, and human performance.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy as well as deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.

### 2021 Key Assumptions

The Training and Outreach Program incorporates the following assumptions:

- Deliver two Reliability and Security Workshops to provide in-depth education and training about:
  - Lessons learned and process improvement for implementation of risk-based concepts in the CMEP;
  - Enforcement trends and statistics; and
  - Information on audit approach for upcoming standards changes and transitions.
- Conduct webinars and workshops to expand awareness of reliability planning tools, modeling capabilities, and study results.
- Partner with the ERO Enterprise and engage Western subject matter experts to deliver a continent-wide Human Performance conference every three years. The next WECC-NERC Human Performance conference will be held in 2023.
- Partner with the ERO Enterprise to deliver a continent-wide Grid Security Conference every TBD six years. The next WECC-NERC Grid Security Conference will be in 20XX2024.





- Conduct one Western Reliability Summit in 2021 as an opportunity for senior leaders in the industry to share thoughts and participate in discussions that will help shape and influence the direction of WECC’s work and products over the coming years.

## 2021 Goals and Deliverables

- Deliver monthly Compliance Open Webinars to educate stakeholders on various oversight activities.
- Deliver quarterly Grid Fundamentals Workshops 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 and Security Workshops to provide targeted and in-depth, risk-based outreach to address and mitigate key risks to reliability and security in the Western Interconnection.
- Host a Western Reliability Summit to gather input that will help identify risks and challenges to the reliability of the BPS.
- Deliver educational webinars and workshops to further enhance reliability of the Western Interconnection, including:
  - An Internal Controls Practice Group;
  - Reliability planning tools and modeling capabilities, including base-case and common-case studies;
  - Contingency studies and analyses;
  - RAC studies;
  - Scenario planning and regulatory issues and trends; and
  - Event analysis.

## Resource Requirements/Explanation of Significant Changes

### *Personnel Expenses*

- No significant changes.

### *Meeting Expenses*

- Meetings & Conference Calls increase by a net of \$65,000 primarily due to the addition of the Western Reliability Summit, which is held every other year, in odd years.

### *Operating Expenses*

- No significant changes.



*Fixed Assets*

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2020 and 2021 budgets.

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## Training and Outreach Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
TRAINING AND OUTREACH					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 321,087	\$ 321,087	\$ -	\$ 398,072	\$ 76,985
Penalty Sanctions	39,402	39,402	-	41,952	2,550
<b>Total Statutory Funding</b>	<b>\$ 360,489</b>	<b>\$ 360,489</b>	<b>\$ -</b>	<b>\$ 440,024</b>	<b>\$ 79,535</b>
Membership Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	457,250	457,250	-	430,000	(27,250)
Interest	2,871	2,871	-	2,816	(55)
<b>Total Revenue (A)</b>	<b>\$ 820,610</b>	<b>\$ 820,610</b>	<b>\$ -</b>	<b>\$ 872,840</b>	<b>\$ 52,230</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 143,854	\$ 143,854	\$ -	\$ 154,906	\$ 11,052
Payroll Taxes	10,433	10,433	-	11,233	800
Benefits	23,842	23,842	-	19,387	(4,455)
Retirement Costs	12,515	12,515	-	13,463	948
<b>Total Personnel Expenses</b>	<b>\$ 190,644</b>	<b>\$ 190,644</b>	<b>\$ -</b>	<b>\$ 198,989</b>	<b>\$ 8,345</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 405,905	\$ 405,905	\$ -	\$ 470,980	\$ 65,075
Travel	11,475	11,475	-	13,280	1,805
<b>Total Meeting Expenses</b>	<b>\$ 417,380</b>	<b>\$ 417,380</b>	<b>\$ -</b>	<b>\$ 484,260</b>	<b>\$ 66,880</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ 6,160	\$ 6,160	\$ -	\$ -	\$ (6,160)
Office Rent	-	-	-	-	-
Office Costs	37,309	37,309	-	42,768	5,459
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 43,469</b>	<b>\$ 43,469</b>	<b>\$ -</b>	<b>\$ 42,768</b>	<b>\$ (701)</b>
<b>Total Direct Expenses</b>	<b>\$ 651,493</b>	<b>\$ 651,493</b>	<b>\$ -</b>	<b>\$ 726,017</b>	<b>\$ 74,524</b>
<b>Indirect Expenses</b>	<b>\$ 141,817</b>	<b>\$ 141,817</b>	<b>\$ -</b>	<b>\$ 147,379</b>	<b>\$ 5,562</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 793,310</b>	<b>\$ 793,310</b>	<b>\$ -</b>	<b>\$ 873,396</b>	<b>\$ 80,086</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 27,300</b>	<b>\$ 27,300</b>	<b>\$ -</b>	<b>\$ (556)</b>	<b>\$ (27,856)</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 747</b>	<b>\$ 747</b>	<b>\$ -</b>	<b>\$ 1,387</b>	<b>\$ 640</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 794,057</b>	<b>\$ 794,057</b>	<b>\$ -</b>	<b>\$ 874,783</b>	<b>\$ 80,726</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 26,553</b>	<b>\$ 26,553</b>	<b>\$ -</b>	<b>\$ (1,943)</b>	<b>\$ (28,496)</b>
FTEs	1.5	1.5	-	1.5	-
HC	1.0	1.0	-	1.0	-



## Situation Awareness and Infrastructure Security

Situation Awareness and Infrastructure Security (in whole dollars)			
	2020 Budget	2021 Budget	Increase (Decrease)
Total FTEs	1.0	2.0	1.0
Direct Expenses	\$ 141,597	\$ 280,553	\$ 138,956
Indirect Expenses	\$ 94,544	\$ 196,506	\$ 101,962
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 498	\$ 1,849	\$ 1,351
Total Funding Requirement	\$ 236,639	\$ 478,908	\$ 242,269

### Program Scope and Functional Description

The Situation Awareness and Infrastructure Security (SAIS) Program maintains near-real-time awareness about the conditions and significant occurrences on the BPS in the Western Interconnection, with the objective of recognizing conditions and situations that could impact the reliability and security of the BPS. WECC has access to limited near-real-time data through the Situation Awareness for FERC, NERC, and the Regions (SAFNR) tool, Genscape Real-time Power Application, and the University of Tennessee Frequency Monitoring NETWORK (FNET).

The SAIS Program is part of WECC's delegation-related accountabilities to NERC and does not in any way duplicate the real-time situation awareness and operating coordination provided by other entities within the Western Interconnection. WECC's role is to understand system issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS. Through this coordination, WECC finds patterns and identifies 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. Also, SAIS work feeds into event analysis capabilities.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy as well as deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.

## 2021 Key Assumptions

The SAIS Program includes the following assumptions.

- Cyber and physical security threats will continue to increase as the grid evolves. WECC will work with stakeholders and support the ERO Enterprise Security Initiative to focus on security outreach and education.
- Continue using the SAFNR tool and Genscape Real-time Power Application to provide situation awareness capabilities.
- Support NERC and FERC's efforts for situation awareness of current system conditions.
- Maximize sharing of reliability and security data, within agreed parameters, and insights from Event Analysis, including near-misses, to optimize 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.
- Collaborate with specific stakeholder groups to develop lessons learned and recommendations from events and identified reliability and security risks.
- One FTE is transferred from RAPA to enhance [externally facing infrastructure physical security and cyber](#)-security expertise and support the ERO Enterprise Security Initiative.

## 2021 Goals and Deliverables

- 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.
- Participate in daily NERC SAIS calls to coordinate the communication of critical information.
- Support efforts and work to develop and enhance ways to improve the use of SAFNR and Genscape Real-time Power Application data to further support SAIS.
- Represent the Western Interconnection in reliability and security matters by participating in various NERC committees and industry forums.
- Participate, as appropriate, in periodic wide-area security exercises (e.g., GridEx, Monitoring and Situation Awareness Workshop, NERC Human Performance Conference).
- Promote rapid and appropriate sharing of situation awareness information to support critical infrastructure security.
- Work with stakeholders, government agencies, NERC, and the E-ISAC to ensure appropriate reliability and security event information is promptly disseminated to industry entities.

**Resource Requirements/Explanation of Significant Changes***Personnel Expenses*

- Personnel Expenses increase by a net of \$139,000 primarily due to one FTE transferred from RAPA, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

*Meeting Expenses*

- No significant changes.

*Operating Expenses*

- No significant changes.

*Fixed Assets*

- No significant changes.

See Section B—Supplemental Financial Information for explanations of other variances between the 2020 and 2021 budgets.

## Situation Awareness and Infrastructure Security Program Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ 216,370	\$ 216,370	\$ -	\$ 418,154	\$ 201,784
Penalty Sanctions	26,268	26,268	-	55,936	29,668
<b>Total Statutory Funding</b>	<b>\$ 242,638</b>	<b>\$ 242,638</b>	<b>\$ -</b>	<b>\$ 474,090</b>	<b>\$ 231,452</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	1,914	1,914	-	3,754	1,840
<b>Total Revenue (A)</b>	<b>\$ 244,552</b>	<b>\$ 244,552</b>	<b>\$ -</b>	<b>\$ 477,844</b>	<b>\$ 233,292</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 111,297	\$ 111,297	\$ -	\$ 218,004	\$ 106,707
Payroll Taxes	8,344	8,344	-	16,347	8,003
Benefits	12,273	12,273	-	27,236	14,963
Retirement Costs	9,683	9,683	-	18,966	9,283
<b>Total Personnel Expenses</b>	<b>\$ 141,597</b>	<b>\$ 141,597</b>	<b>\$ -</b>	<b>\$ 280,553</b>	<b>\$ 138,956</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
<b>Total Meeting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Direct Expenses</b>	<b>\$ 141,597</b>	<b>\$ 141,597</b>	<b>\$ -</b>	<b>\$ 280,553</b>	<b>\$ 138,956</b>
<b>Indirect Expenses</b>	<b>\$ 94,544</b>	<b>\$ 94,544</b>	<b>\$ -</b>	<b>\$ 196,506</b>	<b>\$ 101,962</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 236,141</b>	<b>\$ 236,141</b>	<b>\$ -</b>	<b>\$ 477,059</b>	<b>\$ 240,918</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 8,411</b>	<b>\$ 8,411</b>	<b>\$ -</b>	<b>\$ 785</b>	<b>\$ (7,626)</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 498</b>	<b>\$ 498</b>	<b>\$ -</b>	<b>\$ 1,849</b>	<b>\$ 1,351</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 236,639</b>	<b>\$ 236,639</b>	<b>\$ -</b>	<b>\$ 478,908</b>	<b>\$ 242,269</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 7,913</b>	<b>\$ 7,913</b>	<b>\$ -</b>	<b>\$ (1,064)</b>	<b>\$ (8,977)</b>
FTEs	1.0	1.0	-	2.0	1.0
HC	-	-	-	1.0	1.0





## Corporate Services

Corporate Services (in whole dollars) Direct Expenses and Fixed Assets						
	2020 Budget	2021 Budget	Increase (Decrease)	FTEs 2020 Budget	FTEs 2021 Budget	Increase (Decrease)
Committee and Member Forums	\$ 77,350	\$ 7,300	\$ (70,050)	-	-	-
General and Administrative	\$ 5,364,402	\$ 5,862,853	\$ 498,451	16.50	18.70	2.20
Legal and Regulatory	\$ 1,531,728	\$ 1,405,140	\$ (126,588)	7.00	7.25	0.25
Information Technology	\$ 1,806,959	\$ 2,209,527	\$ 402,568	8.00	9.00	1.00
Human Resources	\$ 1,232,509	\$ 1,235,141	\$ 2,632	4.00	4.00	-
Accounting and Finance	\$ 489,212	\$ 541,656	\$ 52,444	3.00	3.00	-
<b>Total Corporate Services*</b>	<b>\$ 10,502,160</b>	<b>\$ 11,261,617</b>	<b>\$ 759,457</b>	<b>38.50</b>	<b>41.95</b>	<b>3.45</b>

\*WECC's 2021 Corporate Services budget (expenses plus fixed assets) is \$11,261,617, of which \$691,257 is allocated to non-statutory activities. As a result of the allocation to the non-statutory function, the Corporate Services expenses included in the 2021 statutory budget are \$10,570,360, which is a \$638,453 increase from the 2020 budget.

### Program Scope and Functional Description

Corporate Services encompasses the following program areas and includes all business and administrative functions of the organization:

- Technical Committees and Member Forums;
- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

These functions are necessary for the existence and operation of the organization and support the performance of statutory activities. This area provides executive leadership; communications and external affairs; and administrative support for staff, committees, and members.

As part of the business planning and budgeting process, NERC and the Regional Entities ensure alignment with the ERO Enterprise Long-Term Strategy and harmonization across the ERO Enterprise where appropriate. WECC supports the long-term strategy as well as deliverables specific to WECC in this program area that support the ERO Enterprise Value Drivers and Long-Term Focus Areas.

### Method for Allocation of Corporate Services Expenses to Programs

Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.



## Technical Committees and Member Forums

### Program Scope and Functional Description

The Standing Committees (OC, MIC, and RAC) and the JGC provide forums for members and other interested stakeholders to identify, assess, and mitigate reliability risks and operating concerns.

### 2021 Key Assumptions

- The Standing Committees meet three times each year. The Standing Committees meet off-site once every other year, in even years. In 2021, all three meetings will be hosted in Salt Lake City.

### 2021 Goals and Deliverables

- Support and coordinate the logistics for the Standing Committees.

### Resource Requirements/Explanation of Significant Changes

#### *Personnel Expenses*

- No significant changes.

#### *Meeting Expenses*

- Meetings & Conference Calls decrease by \$68,000 due to all Standing Committee meetings being held in Salt Lake City.

#### *Operating Expenses*

- No significant changes.

#### *Fixed Assets*

- No significant changes.

## General and Administrative

### Program Scope and Functional Description

The General and Administrative Program provides executive leadership; enterprise security, communications; and administrative support for staff, committees, and members; as well as logistics support of the Salt Lake City office and meeting facilities, and the Vancouver office. In addition, indirect costs such as Office Rent that benefit multiple functional areas are accounted for in this program.

### 2021 Key Assumptions

- Provide the same level of meetings and meeting support for the Board of Directors and Board Committees in 2021.
- Hold the 2021 Annual Meeting in [TBD Newport Beach, California](#).
- Compensate Directors for meeting participation according to the current Board compensation structure.
- Two new enterprise security positions are added to bolster and improve WECC's [internal security program and posture due to the critical nature of some of WECC's data and the increasing risks related to cyber-security](#).
- 0.2 FTE is transferred from RAPA due to organizational realignment [based on business need and to align costs with scope of work and a change in administrative support supervisory responsibilities](#).

### 2021 Goals and Deliverables

- Provide excellent executive leadership and strong strategic guidance for the activities undertaken by WECC and ensure that WECC supports the ERO Enterprise Long-Term Strategy and meets the expectations of the Regional Delegation Agreement.
- Support and coordinate the logistics for the Board and Board Committees.
- Continue to enhance the meetings team and stakeholder services groups to identify efficiencies and effective services.
- Continue to enhance external relations and outreach programs.
- [Upgrade the Salt Lake City office space, funded partially by the landlord through a negotiated tenant improvement allowance.](#)
- [Improve WECC's security program.](#)



## Resource Requirements/Explanation of Significant Changes

### *Personnel Expenses*

- Personnel Expenses increase by a net of \$~~506~~505,000 primarily due to a net of two new enterprise security positions, 0.2 FTE transferred from RAPA, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

### *Meeting Expenses*

- Meetings & Conference Calls decrease by a net of \$~~1634~~,000 primarily due to the negotiation of an ERO Enterprise-wide WebEx contract to take advantage of volume pricing discounts.
- Travel decreases by a net of \$~~1926~~,000 primarily due to all Standing Committee meetings being held in Salt Lake City and a decrease in anticipated executive travel to align the budget with historical spending in 2019 and the 2020 outreach calendar.

### *Operating Expenses*

- Consultants & Contracts increase by a net of \$27,000 primarily due to anticipated increases in the cost of a Board compensation study and a Board Director search.
- Office Rent increases by a net of \$125,000 primarily due to the remainder of the new lease for the Salt Lake City office.
- Office Costs decrease by a net of \$76,000 primarily due to the completion of upgrades to the Salt Lake City meeting space.
- Professional Services decrease by a net of \$23,000 primarily due to the correction of budgeted Board of Director retainers.<sup>4</sup>

### *Fixed Assets*

- ~~Leasehold Improvements increase by a net of \$151,000 due to the replacement of flooring in the Salt Lake City office space, to be partially funded by the landlord through a negotiated tenant improvement allowance~~No significant changes.

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<sup>4</sup> Board of Director retainer fees were overbudgeted for by \$45,000 in the 2020 Business Plan and Budget.



## Legal and Regulatory

### Program Scope and Functional Description

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. On occasion, major efforts may be outsourced to select law firms, but the responsibility for all legal matters remains with the Legal and Regulatory Program. The Program also coordinates external affairs and outreach at the federal, state, and regional level.

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.

### 2021 Key Assumptions

- Maintain the scope of current operations and contribute positively to ERO Enterprise activities.
- One new external affairs analyst is added to stay abreast of state and policy issues and decisions that may impact reliability in the Western Interconnection as well as WECC studies.
- 0.75 FTE is transferred to CMEP due to organizational realignment and changes in Executive Team responsibilities and focus based on business need and to align costs with scope of work.
- Increases in the effective use of technology in response to the COVID-19 pandemic will result in a slight decrease in travel for in-person meetings.

### 2021 Goals and Deliverables

- 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.
- Bolster and expand external affairs activities to:
  - Appropriately inform executive leadership about key national and Western policy and legislative initiatives;
  - Increase engagement with policymakers, regulators, and legislators in the West; and
  - Ensure analytical work products are shared in a targeted manner to appropriate audiences, including policy and regulatory audiences.

### Resource Requirements/Explanation of Significant Changes

#### *Personnel Expenses*

- Personnel Expenses decrease by a net of \$154,000 primarily due to a new external affairs analyst position, 0.75 FTE transferred to CMEP, a budgeted 3% merit pool, continued refinement of



labor float percentages, changes in position levels, and the refinement of payroll tax and benefits rates.

#### *Meeting Expenses*

- [Travel decreases by a net of \\$16,000 primarily due to the anticipated reduction in in-person meeting attendance because of the COVID-19 pandemic and the resulting increase in the effective use of technology.](#) ~~No significant changes.~~

#### *Operating Expenses*

- [Office Costs increase by a net of \\$20,000 primarily due to Meltwater media monitoring and EnerKnol policy data subscriptions.](#)
- [Professional Services increase by \\$24,000 primarily due to a cybersecurity insurance policy.](#)

#### *Fixed Assets*

- No significant changes.

## Information Technology

### Program Scope and Functional Description

The Information Technology (IT) Program provides systems and security support. This includes hardware, software, data, system administration, data center operations, email, and telephony. IT implements new technology solutions, using both 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 to support activities and responsibilities as directed by NERC and FERC.

### 2021 Key Assumptions

The IT Program includes the following assumptions:

- Use consultants for project-based work to augment staff skill sets instead of increasing headcount.
- Achieve long-term levelized costs by obtaining subscription services for software and infrastructure when practical.
- Replace computer equipment on a three-year refresh cycle, refresh servers every five years, and replace network equipment every seven to 10 years.
- Support the ERO Enterprise IT Strategy and continue working collaboratively to minimize duplication of effort and investments and improve operational efficiency.
- Migrate customer relationship management software to the cloud.
- Upgrade and refresh wecc.org.
- One new information security specialist is added to help bolster and formalize WECC's [internal security program and posture due to the critical nature of some of WECC's data and the increasing risks related to cyber-security](#).

### 2021 Goals and Deliverables

- Provide data support, analysis, and communication.
- Create centralized databases, automated processes, and tools to organize a growing volume of electronic data.
- Increase security capabilities with more authentication controls and enhanced threat [monitoring, detection, and reporting](#).
- Enhance the capabilities and security controls of mobile devices and remote workers.
- Adopt a service provider organization model for IT.





**Resource Requirements/Explanation of Significant Changes***Personnel Expenses*

- Personnel Expenses increase by a net of \$~~150~~145,000 primarily due to a new information security specialist, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

*Meeting Expenses*

- No significant changes.

*Operating Expenses*

- Consultants & Contracts increase by a net of \$205,000 primarily due to a SharePoint upgrade for the wecc.org website, a CRM cloud migration, and IT service alignment consulting.

*Fixed Assets*

- Computer & Software CapEx increases by a net of \$50,000 primarily due to planned 2021 equipment refreshes of storage drives and blade servers.

## Human Resources

### Program Scope and Functional Description

The Human Resources (HR) Program is responsible for the delivery of all HR functions, including recruitment, staffing, compensation, benefits, safety, health and wellness, employee relations, performance management, succession planning, knowledge transfer, and employee training and development. HR maintains and supports employee-related systems and ensures compliance with all federal and state requirements.

### 2021 Key Assumptions

- Total WECC headcount increases in 2021.
- Maintain current benefit levels and negotiate minimal premium increases.
- Minimize skills gaps through training, development, and targeted hiring practices.
- 0.5 FTE is transferred to RAPA to assist with knowledge transfer from seasoned engineers who are close to retirement age to others in the program area due to organizational realignment based on business need and to align costs with scope of work.
- One new part-time corporate services administrative assistant is added to free up staff time for more complex tasks and issues.

### 2021 Goals and Deliverables

- Increase the effectiveness of performance management processes through manager training and development.
- Conduct harassment prevention training for all employees and managers.
- Enhance the scope of succession planning and employee development and training, which are vital to maintaining a highly skilled, qualified, and diverse workforce.
- Deliver an attractive benefits package to retain current employees and attract potential employees.
- Manage benefits package costs and minimize premium increases.
- Expand recruiting efforts through college campus outreach, social media platforms, and employee referral programs.
- Offer one technical writing course.
- Provide access for all employees to the NERC Learning Management System and develop learning plans for employee training using computer-based training modules and classroom training.



**Resource Requirements/Explanation of Significant Changes***Personnel Expenses*

- Personnel Expenses increase by a net of \$3523,000 primarily due to a new part-time corporate services administrative assistant, 0.5 FTE transferred to RAPA, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

*Meeting Expenses*

- No significant changes.

*Operating Expenses*

- Consultants & Contracts decrease by a net of \$25,000 primarily due to the completion of a 2020 compensation study.
- Office Costs increase by \$13,000 primarily due to increased HR employee file management costs and to align the budget with historical costs for the human resources information system.

*Fixed Assets*

- No significant changes.

## Finance and Accounting

### Program Scope and Functional Description

The Finance and Accounting Program provides accounting and financial analysis support. The Program is responsible for payroll, accounts payable, accounts receivable, budgeting, fixed assets management, banking, cash management, tax filings, and financial reporting.

### 2021 Key Assumptions

- Maintain secure and reliable cloud-based software.
- Interest rates remain flat.

### 2021 Goals and Deliverables

- Help departments efficiently and effectively manage resources and operate within approved budgets.
- Identify and implement efficiencies in financial processes.
- Ensure WECC has effective financial controls.
- Provide quality reporting and financial analysis to managers, the FAC, and the Board.

### Resource Requirements/Explanation of Significant Changes

#### *Personnel Expenses*

- Personnel Expenses increase by a net of \$24,000 primarily due to a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

#### *Meeting Expenses*

- No significant changes.

#### *Operating Expenses*

- Office Costs increase by a net of \$28,000 primarily due to the shift of the accounting system to a cloud-based service.

#### *Fixed Assets*

- No significant changes.



## Corporate Services Funding Sources and Expenditures

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
CORPORATE SERVICES					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
<b>Total Statutory Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Membership Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Revenue (A)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 4,287,638	\$ 4,287,638	\$ -	\$ 5,006,363	\$ 718,725
Payroll Taxes	240,225	\$ 240,225	-	288,761	48,536
Benefits	941,023	\$ 941,023	-	1,004,303	63,280
Retirement Costs	354,381	\$ 354,381	-	425,027	70,646
<b>Total Personnel Expenses</b>	<b>\$ 5,823,267</b>	<b>\$ 5,823,267</b>	<b>\$ -</b>	<b>\$ 6,724,454</b>	<b>\$ 901,187</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 156,100	\$ 156,100	\$ -	\$ 125,650	\$ (30,450)
Travel	300,130	\$ 300,130	-	258,230	(41,900)
<b>Total Meeting Expenses</b>	<b>\$ 456,230</b>	<b>\$ 456,230</b>	<b>\$ -</b>	<b>\$ 383,880</b>	<b>\$ (72,350)</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ 441,000	\$ 441,000	\$ -	\$ 638,500	\$ 197,500
Office Rent	972,909	\$ 972,909	-	1,372,346	399,437
Office Costs	1,022,913	\$ 1,022,913	-	1,081,637	58,724
Professional Services	908,280	\$ 908,280	-	955,800	47,520
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 3,345,102</b>	<b>\$ 3,345,102</b>	<b>\$ -</b>	<b>\$ 4,048,283</b>	<b>\$ 703,181</b>
<b>Total Direct Expenses</b>	<b>\$ 9,624,599</b>	<b>\$ 9,624,599</b>	<b>\$ -</b>	<b>\$ 11,156,617</b>	<b>\$ 1,532,018</b>
<b>Indirect Expenses</b>	<b>\$ (9,624,599)</b>	<b>\$ (9,624,599)</b>	<b>\$ -</b>	<b>\$ (11,156,617)</b>	<b>\$ (1,532,018)</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
FTEs	38.5	38.5	-	42.0	3.5
HC	39.0	39.0	-	43.0	4.0





## Section B

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**Supplemental Financial Information**

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## Section B—Supplemental Financial Information

## Reserve Analysis

<b>Working Capital Reserve Analysis 2020-2021</b>	
<b>STATUTORY</b>	
<b>Beginning Working Capital Reserve (Deficit), December 31, 2019<sup>1</sup></b>	\$ 7,339,150
Plus: 2020 Funding (from Load-Serving Entities (LSE) or designees)	28,027,000
Plus: 2020 Other funding sources	657,250
Less: 2020 Projected expenses & capital expenditures	<b>(27,756,089)</b>
<b>Projected Working Capital Reserve (Deficit), December 31, 2020</b>	<b>\$ 8,267,311</b>
<b>Projected Working Capital Reserve, December 31, 2021<sup>2</sup></b>	\$ 8,203,630
Less: Projected Working Capital Reserve, December 31, 2020	<b>(8,267,311)</b>
<b>Increase(Decrease) in Assessments to Achieve Projected Working Capital Reserve</b>	<b>\$ (63,681)</b>
2021 Expenses and Capital Expenditures	\$ 28,673,681
Less: Penalty Sanctions <sup>3</sup>	<b>(2,980,000)</b>
Less: Other Funding Sources	<b>(630,000)</b>
Adjustment to achieve desired Working Capital Reserve	<b>(63,681)</b>
<b>2021 WECC Assessment</b>	<b>\$ 25,000,000</b>

1 - Beginning Working Capital Reserve excludes penalties collected to offset assessments in future budget years.

2 - On June XX, 2020, the WECC Board of Directors approved this reserve level.

3 - Represents collections of Penalty Sanctions from July 1, 2019 through June 30, 2020. See page 49 for full disclosure.

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, approved by the FAC on June 19, 2018.





## Breakdown of Statement of Activities

The following detailed schedules are in support of the Statutory Statement of Activities and Capital Expenditures on page 9.

### 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, 2020, will be used to offset assessments in the 2021 WECC budget.

All penalty monies received on or before June 30, 2020, are listed in [Table B-2](#), including the amount and the date received.

**Allocation Method:** Penalty monies received have been allocated to the following Statutory Programs to reduce assessments:

- Reliability Standards;
- Compliance Monitoring and Enforcement and Organization Registration and Certification;
- Reliability Assessment and Performance Analysis;
- Training and Outreach; and
- 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.

**Penalty Sanctions**

**Table B-2**

Penalty Information				Business Plan & Budget** (Year to Offset Assessments)		Financial Statements*** (Year Recognized)	
Date Invoiced	Amount Invoiced	Date Payment Received	Amount Received	2021	Future Budget Year	2019	2020
5/30/2019	32,000	7/9/2019	32,000	32,000		32,000	
7/26/2019	87,000	9/4/2019	87,000	87,000		87,000	
8/30/2019	74,000	10/14/2019	74,000	74,000		74,000	
9/27/2019	50,000	11/13/2019	50,000	50,000		50,000	
9/27/2019	59,000	11/13/2019	59,000	59,000		59,000	
11/29/2019	2,678,000	12/23/2019	2,678,000	2,678,000		2,678,000	
2019	2,100,000	*	-		2,100,000	2,100,000	
2020	519,000	*	-		519,000		519,000
			<b>Total</b>	<b>2,980,000</b>	<b>2,619,000</b>	<b>5,080,000</b>	<b>519,000</b>

\* Penalty revenue has been recognized but payment has not been received. The penalty will offset assessments in a future budget year.

\*\* Penalties collected between July 1, 20X1 and June 30, 20X2 will offset assessments in budget year 20X3.

\*\*\* Penalties are recognized for financial reporting purposes when they are approved by FERC and invoiced.



**Supplemental Funding**

**Table B-3**

Supplemental Revenue Breakdown By Program (Excludes Assessments & Penalty Sanctions)		Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget
<b>Reliability Standards</b>					
Interest		\$ 5,742	\$ 5,742	\$ 5,631	\$ (111)
	<b>Total</b>	\$ 5,742	\$ 5,742	\$ 5,631	\$ (111)
<b>Compliance Monitoring, Enforcement &amp; Org. Registration</b>					
Workshops & Miscellaneous		\$ -	\$ -	\$ -	\$ -
Interest		116,746	116,746	117,785	1,039
	<b>Total</b>	\$ 116,746	\$ 116,746	\$ 117,785	\$ 1,039
<b>Reliability Assessment and Performance Analysis</b>					
Interest		\$ 72,727	\$ 72,727	\$ 70,014	\$ (2,713)
	<b>Total</b>	\$ 72,727	\$ 72,727	\$ 70,014	\$ (2,713)
<b>Training and Outreach</b>					
Workshops & Miscellaneous		\$ 457,250	\$ 457,250	\$ 430,000	\$ (27,250)
Interest		2,871	2,871	2,816	(55)
	<b>Total</b>	\$ 460,121	\$ 460,121	\$ 432,816	\$ (27,305)
<b>Situation Awareness and Infrastructure Security</b>					
Interest		\$ 1,914	\$ 1,914	\$ 3,754	\$ 1,840
	<b>Total</b>	\$ 1,914	\$ 1,914	\$ 3,754	\$ 1,840
<b>Corporate Services</b>					
Interest		\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -
	<b>Total Supplemental Funding</b>	\$ 657,250	\$ 657,250	\$ 630,000	\$ (27,250)

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

WECC anticipates its investments will earn interest of approximately \$200,000 in 2021. This revenue is allocated to the Statutory Programs based on FTEs.

**Reliability Standards**

- No significant changes.

**Compliance Monitoring and Enforcement and Organization Registration and Certification**

- No significant changes.

**Reliability Assessment and Performance Analysis**

- No significant changes.



### **Training and Outreach**

- Workshops & Miscellaneous decreases by a net of \$27,000 primarily due to the hosting of one Grid Fundamentals class by a stakeholder and a reduction in registration fees for outreach events, to align revenue with anticipated costs.

### **Situation Awareness and Infrastructure Security**

- No significant changes.

### **Corporate Services**

- No significant changes.

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## Personnel Expenses

Table B-4

Personnel Expenses	Budget 2020	Projection 2020	Budget 2021	Variance		
				2020 Budget v 2021 Budget	Variance %	
<b>Salaries</b>						
Salaries	\$ 16,475,075	\$ 16,475,075	\$ 17,424,448	\$ 949,373	5.8%	
Employment Agency Fees	-	-	23,000	23,000	100.0%	
Temporary Office Services	-	-	-	-		
<b>Total Salaries</b>	<b>\$ 16,475,075</b>	<b>\$ 16,475,075</b>	<b>\$ 17,447,448</b>	<b>\$ 972,373</b>	<b>5.9%</b>	
<b>Total Payroll Taxes</b>	<b>\$ 1,074,352</b>	<b>\$ 1,074,352</b>	<b>\$ 1,144,117</b>	<b>\$ 69,765</b>	<b>6.5%</b>	
<b>Benefits</b>						
Workers Compensation	\$ 17,985	\$ 17,985	\$ 17,904	\$ (81)	(0.5%)	
Medical Insurance	1,969,722	1,969,722	2,072,704	102,982	5.2%	
Life-LTD-STD Insurance	99,995	99,995	105,761	5,766	5.8%	
Education	217,301	217,301	172,439	(44,862)	(20.6%)	
Relocation	50,000	50,000	-	(50,000)	(100.0%)	
Other	22,004	22,004	22,145	141	0.6%	
<b>Total Benefits</b>	<b>\$ 2,377,007</b>	<b>\$ 2,377,007</b>	<b>\$ 2,390,953</b>	<b>\$ 13,946</b>	<b>0.6%</b>	
<b>Retirement</b>						
Discretionary 401k Contribution	\$ 1,431,482	\$ 1,431,482	\$ 1,499,399	\$ 67,917	4.7%	
Retirement Administration Fees	-	-	-	-		
<b>Total Retirement</b>	<b>\$ 1,431,482</b>	<b>\$ 1,431,482</b>	<b>\$ 1,499,399</b>	<b>\$ 67,917</b>	<b>4.7%</b>	
<b>Total Personnel Costs</b>	<b>\$ 21,357,916</b>	<b>\$ 21,357,916</b>	<b>\$ 22,481,917</b>	<b>\$ 1,124,001</b>	<b>5.3%</b>	
<b>FTEs</b>	<b>143.0</b>	<b>143.0</b>	<b>148.5</b>	<b>5.5</b>	<b>3.8%</b>	
<b>Cost per FTE</b>						
Salaries	\$ 115,210	\$ 115,210	\$ 117,491	\$ 2,281	2.0%	
Payroll Taxes	7,513	7,513	7,704	192	2.5%	
Benefits	16,622	16,622	16,101	(522)	(3.1%)	
Retirement	10,010	10,010	10,097	87	0.9%	
<b>Total Cost per FTE</b>	<b>\$ 149,356</b>	<b>\$ 149,356</b>	<b>\$ 151,393</b>	<b>\$ 2,037</b>	<b>1.4%</b>	

## Explanation of Significant Variances—2021 Budget versus 2020 Budget

## Salaries

- Salaries increase by a net of \$949,000 primarily due to 5.5 additional FTEs, budgeted 3% merit pool, continued refinement of labor float percentages, and changes in position levels.
- Employment Agency Fees increase by \$23,000 due to anticipated recruitment in a tight labor market.

## Payroll Taxes

- Payroll Taxes increase by a net of \$70,000 primarily due to increases in salaries.



### Benefits

- Medical Insurance increases by a net of \$103,000 primarily due to additional FTEs, changes in participation levels, and increases in the cost of premiums.
- [Education decreases by \\$45,000 due to the anticipated reduction in travel to in-person trainings because of the COVID-19 pandemic, and to align the budget with historical spending in 2019.](#)
- Relocation decreases by a net of \$50,000 due to tax law changes for relocation benefits. The benefit is now included in Salaries.

### Retirement

- Discretionary 401k Contribution increases by a net of \$68,000 primarily due to increases in salaries.

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## Meeting Expenses

Table B-5

Meeting & Conference Call Expense	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	1,505	1,505	3,380	1,875	124.6%
Reliability Assessment and Performance Analysis	77,685	77,685	45,180	(32,505)	(41.8%)
Training and Outreach	405,905	405,905	470,980	65,075	16.0%
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	229,000	156,100	125,650	(103,350)	(45.1%)
<b>Total Meeting Expenses</b>	<b>\$ 714,095</b>	<b>\$ 641,195</b>	<b>\$ 645,190</b>	<b>\$ (68,905)</b>	<b>(9.6%)</b>

Travel Expense	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Reliability Standards	\$ 18,250	\$ 18,250	\$ 17,550	\$ (700)	(3.8%)
Compliance Monitoring and Enforcement and Organization Registration and Certification	812,183	812,183	654,743	(157,440)	(19.4%)
Reliability Assessment and Performance Analysis	245,010	245,010	210,070	(34,940)	(14.3%)
Training and Outreach	11,475	11,475	13,280	1,805	15.7%
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	314,900	300,130	258,230	(56,670)	(18.0%)
<b>Total Travel Expenses</b>	<b>\$ 1,401,818</b>	<b>\$ 1,387,048</b>	<b>\$ 1,153,873</b>	<b>\$ (247,945)</b>	<b>(17.7%)</b>

### Explanation of Significant Variances—2021 Budget versus 2020 Budget

#### Meeting & Conference Call Expense

- RAPA decreases by a net of \$~~1933~~1,000 primarily due [to the anticipated reduction in in-person meetings because of the COVID-19 pandemic and resulting increases in the effective use of technology](#), ~~to~~ the refinement of meeting attendance and costs, and the restructuring of the RAC in 2020.
- Training and Outreach increases by a net of \$65,000 primarily due to the addition of the Western Reliability Summit, which is held in odd-numbered years.
- Corporate Services decreases by a net of \$~~84103~~84,103,000 primarily due to all Standing Committee meetings being held in Salt Lake City, and the negotiation of an ERO Enterprise-wide WebEx contract to take advantage of volume pricing discounts.

#### Travel Expense

- CMEP decreases by a net of \$~~136157~~136,157,000 primarily due [to the anticipated reduction in in-person meeting attendance because of the COVID-19 pandemic and resulting increases in the effective use of technology and](#) ~~to~~ planned reductions in travel requirements for audit teams and support staff.





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- RAPA decreases by a net of \$~~3235~~,000 primarily due to the anticipated reduction in in-person meeting attendance because of the COVID-19 pandemic and resulting increases in the effective use of technology, and to the refinement of travel cost assumptions.
- Corporate Services decreases by a net of \$~~4257~~,000 primarily due to all Standing Committee meetings being held in Salt Lake City, a decrease in anticipated executive travel to align the budget with historical spending in 2019 and the 2020 outreach calendar, and the refinement of travel cost assumptions.

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**Consultants and Contracts**

**Table B-6**

Consultants	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
<b>Consultants</b>					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	-	
Reliability Assessment and Performance Analysis	600,000	600,000	350,000	(250,000)	(41.7%)
Training and Outreach	6,160	6,160	-	(6,160)	(100.0%)
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	432,000	432,000	638,500	206,500	47.8%
<b>Consultants Total</b>	<b>\$ 1,038,160</b>	<b>\$ 1,038,160</b>	<b>\$ 988,500</b>	<b>\$ (49,660)</b>	<b>(4.8%)</b>

Contracts	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
<b>Contracts</b>					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance Monitoring and Enforcement and Organization Registration and Certification	-	-	-	-	
Reliability Assessment and Performance Analysis	-	-	-	-	
Training and Outreach	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	-	-	-	-	
<b>Contracts Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

<b>Total Consulting and Contracts</b>	<b>\$ 1,038,160</b>	<b>\$ 1,038,160</b>	<b>\$ 988,500</b>	<b>\$ (49,660)</b>	<b>(4.8%)</b>
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**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

**Consultants**

- RAPA decreases by a net of \$250,000 primarily due to the completion of one-time 2020 studies.
- Corporate Services increases by a net of \$207,000 primarily due to a SharePoint upgrade for the wecc.org website, a CRM cloud migration, and IT service model consulting.

**Contracts**

- No significant changes.

**Office Rent**

**Table B-7**

Office Rent	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Office Rent	\$ 1,223,800	\$ 1,223,800	\$ 1,352,640	\$ 128,840	10.5%
Utilities	-	-	-	-	0.0%
Maintenance	24,451	24,451	19,706	(4,745)	(19.4%)
Security	-	-	-	-	0.0%
<b>Total Office Rent</b>	<b>\$ 1,248,251</b>	<b>\$ 1,248,251</b>	<b>\$ 1,372,346</b>	<b>\$ 124,095</b>	<b>9.9%</b>

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

- Office Rent increases by \$129,000 due to a full year of the new lease rate for the Salt Lake City office.

## Office Costs

Table B-8

Office Costs	Budget 2020	Projection 2020	Budget 2021	Variance	
				2020 Budget v 2021 Budget	Variance %
Telephone	\$ 64,400	\$ 64,400	\$ 80,200	\$ 15,800	24.5%
Internet	67,660	67,660	69,198	1,538	2.3%
Office Supplies	112,143	112,143	93,036	(19,107)	(17.0%)
Computer Supplies and Maintenance	894,698	894,698	951,395	56,697	6.3%
Publications & Subscriptions	25,390	25,390	55,589	30,199	118.9%
Dues and Fees	247,720	247,720	282,905	35,185	14.2%
Postage	2,120	2,120	1,500	(620)	(29.2%)
Express Shipping	8,330	8,330	6,725	(1,605)	(19.3%)
Copying	27,405	27,405	19,826	(7,579)	(27.7%)
Bank Charges	58,546	58,546	55,725	(2,821)	(4.8%)
Taxes	48,900	48,900	49,200	300	0.6%
<b>Total Office Costs</b>	<b>\$ 1,557,312</b>	<b>\$ 1,557,312</b>	<b>\$ 1,665,299</b>	<b>\$ 107,987</b>	<b>6.9%</b>

## Explanation of Significant Variances—2021 Budget versus 2020 Budget

- Telephone increases by a net of \$16,000 primarily due to the realignment of budgeted amounts with historical spending.
- Office Supplies decrease by \$19,000 primarily due to the realignment of budgeted office expenses with historical spending.
- Computer Supplies and Maintenance increases by \$57,000 primarily due to the delay in the implementation of Align and the resulting extension of webCDMS licensing fees.
- Publications & Subscriptions increase by \$30,000 primarily due to Meltwater media monitoring and EnerKnol policy data subscriptions.
- Dues and Fees increase by \$35,000 primarily due to increased HR employee file management costs, to align the budget with historical costs for the human resources information system, and an external network penetration test.

**Professional Services**

**Table B-9**

Professional Services	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Board Director Fees	\$ 850,500	\$ 850,500	\$ 828,000	\$ (22,500)	(2.6%)
Outside Legal	-	-	-	-	
Accounting & Auditing Fees	32,250	32,250	32,800	550	1.7%
Insurance Commercial	71,040	71,040	95,000	23,960	33.7%
<b>Total Services</b>	<b>\$ 953,790</b>	<b>\$ 953,790</b>	<b>\$ 955,800</b>	<b>\$ 2,010</b>	<b>0.2%</b>

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

- Board Director Fees decreases by a net of \$23,000 primarily due to the correction of Board of Director retainers.<sup>5</sup>
- [Insurance Commercial increases by \\$24,000 due to a new cybersecurity insurance policy.](#)

<sup>5</sup> Board of Director retainer fees were overbudgeted for by \$45,000 in the 2020 Business Plan and Budget.



**Miscellaneous Expenses**

**Table B-10**

Miscellaneous Expenses	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Miscellaneous	\$ -	\$ -	\$ -	\$ -	-
<b>Total Miscellaneous Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

- Not applicable.

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**Other Non-Operating**

**Table B-11**

Other Non-Operating Expenses	Budget 2020	Projection 2020	Budget 2021	Variance 2020 Budget v 2021 Budget	Variance %
Interest Expense	\$ -	\$ -	\$ -	\$ -	-
Line of Credit Payment	-	-	-	-	-
Office Relocation	-	-	-	-	-
<b>Total Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

- Not applicable.



**Fixed Assets**

**Table B-12**

Fixed Assets	Budget 2020	Projection 2020	Budget 2021	Variance	
				2020 Budget v 2021 Budget	Variance %
Computer & Software CapEx	\$ 5,000	\$ 5,000	\$ 55,000	\$ 50,000	1,000.0%
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	50,000	50,000	50,000	-	0.0%
Leasehold Improvements	-	-	-	-	100.0%
	<b>\$ 55,000</b>	<b>\$ 55,000</b>	<b>\$ 105,000</b>	<b>\$ 50,000</b>	<b>90.9%</b>

**Explanation of Significant Variances—2021 Budget versus 2020 Budget**

- Computer & Software CapEx increases by a net of \$50,000 primarily due to planned 2021 equipment refreshes of storage drives and blade servers.
- ~~Leasehold Improvements increase by a net of \$151,000 due to the replacement of flooring in the Salt Lake City office space, to be partially funded by the landlord through a negotiated tenant improvement allowance.~~



## Section C

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**Non-Statutory Program**

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## Section C—Non-Statutory Program

Western Renewable Energy Generation Information System (in whole dollars)			
	2020 Budget	2021 Budget	Increase (Decrease)
Total FTEs	6.0	7.0	1.0
Direct Expenses	\$ 1,261,282	\$ 1,334,685	\$ 73,403
Indirect Expenses	\$ 567,267	\$ 687,770	\$ 120,503
Inc(Dec) in Fixed Assets	\$ 2,986	\$ 6,473	\$ 3,487
Total Funding Requirement	\$ 352,946	\$ 598,904	\$ 245,958

### WREGIS

The Western Renewable Energy Generation Information System (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 through a collaborative process between 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 integrated into WECC on March 31, 2012, following the expiration of the contract between WECC and the CEC that provided for backstop funding. WREGIS is advised by two committees: 1) the Stakeholder Advisory Committee, which is open to all interested participants, and 2) the WREGIS Committee, which is open to members and various 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 are allocated to the program based on a formula implemented following a FERC audit.

WREGIS consists of two parts: 1) the information system software, and 2) administrative operations. Staff coordinates with the software contractor and performs all the administrative tasks, including:

- Registering account holders and generation units;
- Training users;
- Auditing generation and other data; and
- Managing the budgeting, billing, and financial reporting.



## 2021 Key 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 all users and are based on size (generation capacity) and user type. Usage fees are paid by all but micro, small, and medium generation owners. WREGIS also charges ad hoc reporting fees.

- User fees are based on size (generation capacity) and user type.
  - Approximately 4% of revenues are based on annual fees.
  - Approximately 92% of revenues are based on usage fees, which can 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 such as tracking e-Tags.
- Revenues can vary greatly from year to year; therefore, large WREGIS reserves are held to allow for normal operations during years in which fee levels are low and to fund large, non-recurring expenditures such as major software upgrades.
- Perform six account holder audits.
- Deliver two account holder training sessions.
- One new program analyst position is added.

## 2021 Goals and Key Deliverables

- Maintain compliance with the participating states', provinces', and voluntary programs.
- Register program participants.
- Maintain program software to ensure the best performance both in terms of efficiency and ease of use for account holders.
- Refine and improve data collection to ensure high-quality data.
- Keep abreast of possible needs to increase system functionality.

## Resource Requirements/Explanation of Significant Changes

### Funding Sources (other than ERO Assessments)

- Membership Fees increase by \$388,000 primarily due to anticipated increases in account holders and certificate volumes.
- Interest increases by \$55,000 primarily due to realigning budgeted amounts with historical returns on investments.

### **Personnel Expenses**

- Personnel Expenses increase by a net of \$98,000 primarily due to a new program analyst, a budgeted 3% merit pool, continued refinement of labor float percentages, and the refinement of payroll tax and benefits rates.

### **Meeting Expenses**

- No significant changes.

### **Operating Expenses**

- Office Costs decrease by \$25,000 primarily due to reduced maintenance costs for the information system software.

### **Fixed Assets**

- Fixed Assets increase by a net of \$13,000 primarily due to fixed asset additions in Corporate Services. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

### **Indirect Expenses**

- Indirect Expenses increase by a net of \$122,000 primarily due to the addition of a program analyst and an increase in Corporate Services expenses. Corporate Services expenses are allocated to statutory and non-statutory program areas based on FTEs.

### **Other Non-Operating Expenses**

- No significant changes.

**WREGIS Program Funding Sources and Expenditures**

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2020 Budget & Projection, and 2021 Budget					
NON-STATUTORY					
	2020 Budget	2020 Projection	Variance 2020 Budget v 2020 Projection Over(Under)	2021 Budget	Variance 2021 Budget v 2020 Budget Inc(Dec)
<b>Revenue</b>					
<b>Statutory Funding</b>					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
<b>Total Statutory Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Membership Fees	\$ 2,117,181	\$ 2,117,181	\$ -	2,505,324	\$ 388,143
Services & Software	-	-	-	-	-
Workshops & Miscellaneous	-	-	-	-	-
Interest	67,300	67,300	-	122,508	55,208
<b>Total Revenue (A)</b>	<b>\$ 2,184,481</b>	<b>\$ 2,184,481</b>	<b>\$ -</b>	<b>\$ 2,627,832</b>	<b>\$ 443,351</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 493,849	\$ 493,849	\$ -	\$ 565,316	\$ 71,467
Payroll Taxes	33,957	33,957	-	39,506	5,549
Benefits	72,769	72,769	-	87,467	14,698
Retirement Costs	42,893	42,893	-	49,109	6,216
<b>Total Personnel Expenses</b>	<b>\$ 643,468</b>	<b>\$ 643,468</b>	<b>\$ -</b>	<b>\$ 741,398</b>	<b>\$ 97,930</b>
<b>Meeting Expenses</b>					
Meetings & Conference Calls	\$ 3,870	\$ 3,870	\$ -	\$ 4,620	\$ 750
Travel	17,400	17,400	-	17,160	(240)
<b>Total Meeting Expenses</b>	<b>\$ 21,270</b>	<b>\$ 21,270</b>	<b>\$ -</b>	<b>\$ 21,780</b>	<b>\$ 510</b>
<b>Operating Expenses, excluding Depreciation</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	596,544	596,544	-	571,507	(25,037)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 596,544</b>	<b>\$ 596,544</b>	<b>\$ -</b>	<b>\$ 571,507</b>	<b>\$ (25,037)</b>
<b>Total Direct Expenses</b>	<b>\$ 1,261,282</b>	<b>\$ 1,261,282</b>	<b>\$ -</b>	<b>\$ 1,334,685</b>	<b>\$ 73,403</b>
<b>Indirect Expenses</b>	<b>\$ 567,267</b>	<b>\$ 567,267</b>	<b>\$ -</b>	<b>\$ 687,770</b>	<b>\$ 120,503</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 1,828,549</b>	<b>\$ 1,828,549</b>	<b>\$ -</b>	<b>\$ 2,022,455</b>	<b>\$ 193,906</b>
<b>Change in Net Assets (=A-B)</b>	<b>\$ 355,932</b>	<b>\$ 355,932</b>	<b>\$ -</b>	<b>\$ 605,377</b>	<b>\$ 249,445</b>
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 2,986</b>	<b>\$ 2,986</b>	<b>\$ -</b>	<b>\$ 6,473</b>	<b>\$ 3,487</b>
<b>TOTAL BUDGET (=B+C)</b>	<b>\$ 1,831,535</b>	<b>\$ 1,831,535</b>	<b>\$ -</b>	<b>\$ 2,028,928</b>	<b>\$ 197,393</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>	<b>\$ 352,946</b>	<b>\$ 352,946</b>	<b>\$ -</b>	<b>\$ 598,904</b>	<b>\$ 245,958</b>
FTEs	6.0	6.0	-	7.0	1.0
HC	6.0	6.0	-	7.0	1.0



**Personnel Analysis**

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 2020	Projection 2020	Direct FTEs 2021 Budget	Shared FTEs* 2021 Budget	Total FTEs 2021 Budget	Change from 2020 Budget
<b>NON-STATUTORY</b>						
<b>Operational Programs</b>						
Total FTEs Operational Programs	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Programs</b>						
WREGIS	6.0	6.0	7.0	0.0	7.0	1.0
Total FTEs Administrative Programs	6.0	6.0	7.0	0.0	7.0	1.0
Total FTEs	6.0	6.0	7.0	0.0	7.0	1.0

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

**Reserve Analysis**

<b>Working Capital Reserve Analysis</b>	
<b>NON-STATUTORY</b>	
Beginning Working Capital Reserve (Deficit), December 31, 2019	\$ 6,980,227
Plus: 2020 Funding	2,184,481
Plus: 2020 Other funding sources	
Less: 2020 Projected expenses & capital expenditures	(1,831,535)
<b>Projected Working Capital Reserve (Deficit), December 31, 2020</b>	<b>\$ 7,333,173</b>
Projected Working Capital Reserve, December 31, 2021	7,932,077
Less: Projected Working Capital Reserve, December 31, 2020	(7,333,173)
<b>2021 Reserve Increase (Decrease)</b>	<b>\$ 598,904</b>





## Section D

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**Additional Financial Information**

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# Section D—Additional Financial Information

## 2021 Consolidated Statement of Activities by Program, Statutory, and Non-Statutory

Statement of Activities and Capital Expenditures by Program	Total	Statutory Total	Non-Statutory Total	Statutory Functions						Non-Statutory Functions		
				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
<b>Revenue</b>												
<b>Statutory Funding</b>												
WECC Assessments	\$ 25,000,000	\$ 25,000,000	\$ -	\$ 25,000,000	\$ 773,464	\$ 14,521,218	\$ 8,889,092	\$ 398,072	\$ 418,154	\$ -	\$ -	\$ -
Penalty Sanctions	2,980,000	2,980,000	-	2,980,000	83,904	1,754,998	1,043,210	41,952	55,936	-	-	-
<b>Total Statutory Funding</b>	<b>\$ 27,980,000</b>	<b>\$ 27,980,000</b>	<b>\$ -</b>	<b>\$ 27,980,000</b>	<b>\$ 857,368</b>	<b>\$ 16,276,216</b>	<b>\$ 9,932,302</b>	<b>\$ 440,024</b>	<b>\$ 474,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-statutory Funding</b>												
Workshops & Miscellaneous	\$ 430,000	\$ -	\$ 430,000	\$ -	\$ -	\$ -	\$ -	\$ 430,000	\$ -	\$ -	\$ -	\$ 430,000
Interest	322,508	200,000	122,508	200,000	5,631	117,785	70,014	2,816	3,754	-	122,508	122,508
<b>Total Revenue (A)</b>	<b>\$ 31,237,832</b>	<b>\$ 28,610,000</b>	<b>\$ 2,627,832</b>	<b>\$ 28,610,000</b>	<b>\$ 862,999</b>	<b>\$ 16,394,001</b>	<b>\$ 10,002,316</b>	<b>\$ 872,840</b>	<b>\$ 477,844</b>	<b>\$ -</b>	<b>\$ 2,627,832</b>	<b>\$ 2,627,832</b>
<b>Expenses</b>												
<b>Personnel Expenses</b>												
Salaries	\$ 18,012,764	\$ 17,447,448	\$ 565,316	\$ 17,447,448	\$ 438,520	\$ 7,314,902	\$ 4,314,753	\$ 154,906	\$ 218,004	\$ 5,006,363	\$ 565,316	\$ 565,316
Payroll Taxes	1,183,622	1,144,116	39,506	1,144,116	27,803	504,576	295,396	11,233	16,347	288,761	39,506	39,506
Benefits	2,478,420	2,390,953	87,467	2,390,953	41,062	807,824	491,141	19,387	27,236	1,004,303	87,467	87,467
Retirement Costs	1,548,508	1,499,399	49,109	1,499,399	38,151	629,057	374,735	13,463	18,966	425,027	49,109	49,109
<b>Total Personnel Expenses</b>	<b>\$ 23,223,314</b>	<b>\$ 22,481,916</b>	<b>\$ 741,398</b>	<b>\$ 22,481,916</b>	<b>\$ 545,536</b>	<b>\$ 9,256,359</b>	<b>\$ 5,476,025</b>	<b>\$ 198,989</b>	<b>\$ 280,553</b>	<b>\$ 6,724,454</b>	<b>\$ 741,398</b>	<b>\$ 741,398</b>
<b>Meeting Expenses</b>												
Meetings & Conference Calls	\$ 649,810	\$ 645,190	\$ 4,620	\$ 645,190	\$ -	\$ 3,380	\$ 45,180	\$ 470,980	\$ -	\$ 125,650	\$ 4,620	\$ 4,620
Travel	1,171,033	1,153,873	17,160	1,153,873	17,550	654,743	210,070	13,280	-	258,230	17,160	17,160
<b>Total Meeting Expenses</b>	<b>\$ 1,820,843</b>	<b>\$ 1,799,063</b>	<b>\$ 21,780</b>	<b>\$ 1,799,063</b>	<b>\$ 17,550</b>	<b>\$ 658,123</b>	<b>\$ 255,250</b>	<b>\$ 484,260</b>	<b>\$ -</b>	<b>\$ 383,880</b>	<b>\$ 21,780</b>	<b>\$ 21,780</b>
<b>Operating Expenses, excluding Depreciation</b>												
Consultants & Contracts	\$ 988,500	\$ 988,500	\$ -	\$ 988,500	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ 638,500	\$ -	\$ -
Office Rent	1,372,346	1,372,346	-	1,372,346	-	-	-	-	-	1,372,346	-	-
Office Costs	2,236,806	1,665,299	571,507	1,665,299	4,300	292,614	243,980	42,768	-	1,081,637	571,507	571,507
Professional Services	955,800	955,800	-	955,800	-	-	-	-	-	955,800	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 5,553,452</b>	<b>\$ 4,981,945</b>	<b>\$ 571,507</b>	<b>\$ 4,981,945</b>	<b>\$ 4,300</b>	<b>\$ 292,614</b>	<b>\$ 593,980</b>	<b>\$ 42,768</b>	<b>\$ -</b>	<b>\$ 4,048,283</b>	<b>\$ 571,507</b>	<b>\$ 571,507</b>
<b>Total Direct Expenses</b>												
<b>Total Direct Expenses</b>	<b>\$ 30,597,609</b>	<b>\$ 29,262,924</b>	<b>\$ 1,334,685</b>	<b>\$ 29,262,924</b>	<b>\$ 567,386</b>	<b>\$ 10,207,096</b>	<b>\$ 6,325,255</b>	<b>\$ 726,017</b>	<b>\$ 280,553</b>	<b>\$ 11,156,617</b>	<b>\$ 1,334,685</b>	<b>\$ 1,334,685</b>
<b>Indirect Expenses</b>												
Indirect Expenses	\$ -	\$ (687,770)	\$ 687,770	\$ (687,770)	\$ 294,759	\$ 6,165,370	\$ 3,664,833	\$ 147,379	\$ 196,506	\$ (11,156,617)	\$ 687,770	\$ 687,770
<b>Other Non-Operating Expenses</b>												
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses (B)</b>	<b>\$ 30,597,609</b>	<b>\$ 28,575,154</b>	<b>\$ 2,022,455</b>	<b>\$ 28,575,154</b>	<b>\$ 862,145</b>	<b>\$ 16,372,466</b>	<b>\$ 9,990,088</b>	<b>\$ 873,396</b>	<b>\$ 477,059</b>	<b>\$ -</b>	<b>\$ 2,022,455</b>	<b>\$ 2,022,455</b>
<b>Change in Net Assets (=A-B)</b>												
<b>Change in Net Assets (=A-B)</b>	<b>\$ 640,223</b>	<b>\$ 34,846</b>	<b>\$ 605,377</b>	<b>\$ 34,846</b>	<b>\$ 854</b>	<b>\$ 21,535</b>	<b>\$ 12,228</b>	<b>\$ (556)</b>	<b>\$ 785</b>	<b>\$ -</b>	<b>\$ 605,377</b>	<b>\$ 605,377</b>
<b>Allocation of Fixed Assets</b>												
Allocation of Fixed Assets	-	(6,473)	6,473	(6,473)	2,775	58,025	34,491	1,387	1,849	(105,000)	6,473	6,473
<b>Fixed Assets, excluding Right of Use Assets (C)</b>	<b>\$ 105,000</b>	<b>\$ 98,527</b>	<b>\$ 6,473</b>	<b>\$ 98,527</b>	<b>\$ 2,775</b>	<b>\$ 58,025</b>	<b>\$ 34,491</b>	<b>\$ 1,387</b>	<b>\$ 1,849</b>	<b>\$ -</b>	<b>\$ 6,473</b>	<b>\$ 6,473</b>
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 30,702,609</b>	<b>\$ 28,673,681</b>	<b>\$ 2,028,928</b>	<b>\$ 28,673,681</b>	<b>\$ 864,920</b>	<b>\$ 16,430,491</b>	<b>\$ 10,024,579</b>	<b>\$ 874,783</b>	<b>\$ 478,908</b>	<b>\$ -</b>	<b>\$ 2,028,928</b>	<b>\$ 2,028,928</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 535,223</b>	<b>\$ (63,681)</b>	<b>\$ 598,904</b>	<b>\$ (63,681)</b>	<b>\$ (1,921)</b>	<b>\$ (36,490)</b>	<b>\$ (22,263)</b>	<b>\$ (1,943)</b>	<b>\$ (1,064)</b>	<b>\$ -</b>	<b>\$ 598,904</b>	<b>\$ 598,904</b>
FTEs	155.5	148.5	7.0	148.5	3.0	62.8	37.3	1.5	2.0	42.0	7.0	7.0
HC	155.0	148.0	7.0	148.0	3.0	62.0	38.0	1.0	1.0	43.0	7.0	7.0



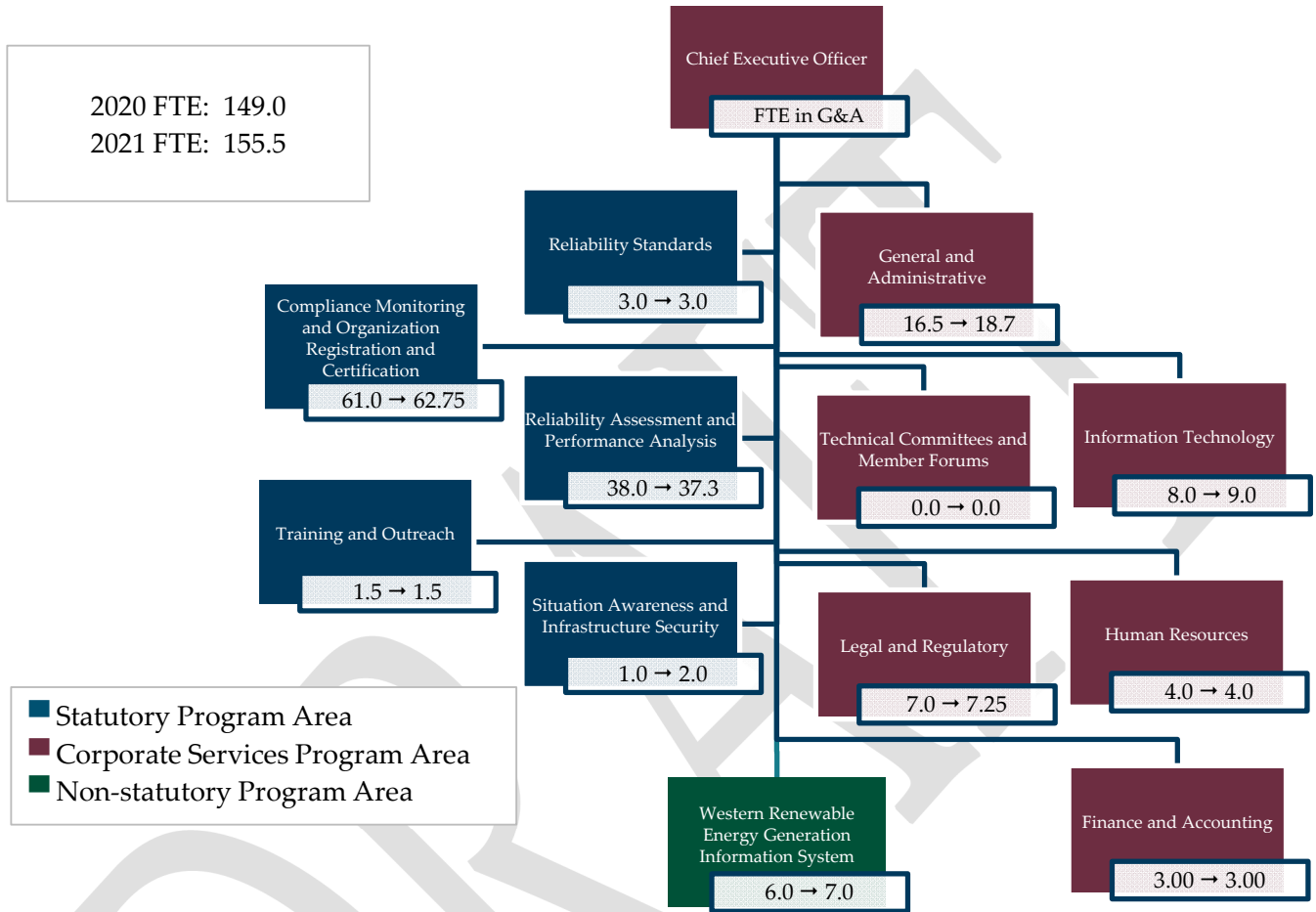
**Statement of Financial Position**

To be inserted after the completion of the 2019 external financial audit.

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## Appendix A—Organizational Chart

### Changes in Budgeted FTE by Program Area



## Appendix B—2021 Budget & Projected 2022 and 2023 Budgets

Statement of Activities and Capital Expenditures 2021 Budget & Projected 2022 and 2023 Budgets								
	Statutory				2023 Projection	\$ Change 22 v 23	% Change 22 v 23	
	2021 Budget	2022 Projection	\$ Change 21 v 22	% Change 21 v 22				
<b>Revenue</b>								
<b>Statutory Funding</b>								
WECC Assessments	\$ 25,000,000	\$ 25,500,000	\$ 500,000	2.0%	\$ 26,010,000	\$ 510,000	2.0%	
Penalty Sanctions	2,980,000	-	(2,980,000)	(100.0%)	-	-		
<b>Total Statutory Funding</b>	<b>\$ 27,980,000</b>	<b>\$ 25,500,000</b>	<b>\$ (2,480,000)</b>	<b>(8.9%)</b>	<b>\$ 26,010,000</b>	<b>\$ 510,000</b>	<b>2.0%</b>	
Membership Fees	\$ -	\$ -	\$ -		\$ -	\$ -		
Workshops & Miscellaneous	430,000	430,000	-	0.0%	430,000	-	0.0%	
Interest	200,000	200,000	-	0.0%	200,000	-	0.0%	
<b>Total Revenue (A)</b>	<b>\$ 28,610,000</b>	<b>\$ 26,130,000</b>	<b>\$ (2,480,000)</b>	<b>(8.7%)</b>	<b>\$ 26,640,000</b>	<b>\$ 510,000</b>	<b>2.0%</b>	
<b>Expenses</b>								
<b>Personnel Expenses</b>								
Salaries	\$ 17,447,448	\$ 17,970,871	\$ 523,423	3.0%	\$ 18,509,998	\$ 539,126	3.0%	
Payroll Taxes	1,144,116	1,178,439	34,323	3.0%	1,213,793	35,353	3.0%	
Benefits	2,390,953	2,510,501	119,548	5.0%	2,585,816	75,315	3.0%	
Retirement Costs	1,499,399	1,544,381	44,982	3.0%	1,590,712	46,331	3.0%	
<b>Total Personnel Expenses</b>	<b>\$ 22,481,916</b>	<b>\$ 23,204,193</b>	<b>\$ 722,277</b>	<b>3.2%</b>	<b>\$ 23,900,318</b>	<b>\$ 696,126</b>	<b>3.0%</b>	
<b>Meeting Expenses</b>								
Meetings & Conference Calls	\$ 645,190	\$ 645,190	\$ -	0.0%	\$ 577,190	\$ (68,000)	(10.5%)	
Travel	1,153,873	1,153,873	-	0.0%	1,165,412	11,539	1.0%	
<b>Total Meeting Expenses</b>	<b>\$ 1,799,063</b>	<b>\$ 1,799,063</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ 1,742,602</b>	<b>\$ (56,461)</b>	<b>(3.1%)</b>	
<b>Operating Expenses, excluding Depreciation</b>								
Consultants & Contracts	\$ 988,500	\$ 813,500	\$ (175,000)	(17.7%)	\$ 738,500	\$ (75,000)	(9.2%)	
Office Rent	1,372,346	1,372,346	-	0.0%	1,372,346	-	0.0%	
Office Costs	1,665,299	1,681,952	16,653	1.0%	1,698,772	16,820	1.0%	
Professional Services	955,800	955,800	-	0.0%	1,003,590	47,790	5.0%	
Miscellaneous	-	-	-		-	-		
<b>Total Operating Expenses</b>	<b>\$ 4,981,945</b>	<b>\$ 4,823,598</b>	<b>\$ (158,347)</b>	<b>(3.2%)</b>	<b>\$ 4,813,208</b>	<b>\$ (10,390)</b>	<b>(0.2%)</b>	
<b>Total Direct Expenses</b>	<b>\$ 29,262,924</b>	<b>\$ 29,826,854</b>	<b>\$ 563,930</b>	<b>1.9%</b>	<b>\$ 30,456,128</b>	<b>\$ 629,274</b>	<b>2.1%</b>	
<b>Indirect Expenses</b>	<b>\$ (687,770)</b>	<b>\$ (707,603)</b>	<b>\$ (19,833)</b>	<b>2.9%</b>	<b>\$ (724,585)</b>	<b>\$ (16,982.00)</b>	<b>2.4%</b>	
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>		
<b>Total Expenses (B)</b>	<b>\$ 28,575,154</b>	<b>\$ 29,119,251</b>	<b>\$ 544,097</b>	<b>1.9%</b>	<b>\$ 29,731,543</b>	<b>\$ 612,292</b>	<b>2.1%</b>	
<b>Change in Assets</b>	<b>\$ 34,846</b>	<b>\$ (2,989,251)</b>	<b>\$ (3,024,097)</b>	<b>(8,678.5%)</b>	<b>\$ (3,091,543)</b>	<b>\$ (102,292)</b>	<b>3.4%</b>	
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ 98,527</b>	<b>\$ -</b>	<b>\$ (98,527)</b>	<b>(100.0%)</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 28,673,681</b>	<b>\$ 29,119,251</b>	<b>\$ 445,570</b>	<b>1.6%</b>	<b>\$ 29,731,543</b>	<b>\$ 612,292</b>	<b>2.1%</b>	
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ (63,681)</b>	<b>\$ (2,989,251)</b>	<b>\$ (2,925,570)</b>	<b>4,594.1%</b>	<b>\$ (3,091,543)</b>	<b>\$ (102,292)</b>	<b>3.4%</b>	
FTEs	148.5	148.5	-	0.0%	148.5	-	0.0%	
HC	148.0	148.0	-	0.0%	148.0	-	0.0%	

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

To be inserted after NEL data is collected.

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## Appendix D—Statutory and Non-Statutory Budget History Charts

