

WIRAB Advice to NERC on WECC's 2015 Budget

July 11, 2014

The Western Interconnection Regional Advisory Body (WIRAB) is charged, pursuant to Section 215(j) of the Federal Power Act, with providing advice to the Western Electricity Coordinating Council (WECC), the North America Electric Reliability Organization (NERC), and the Federal Energy Regulatory Commission (FERC) on whether the budgets of WECC, Peak Reliability and NERC are just, reasonable, not unduly discriminatory or preferential and in the public interest. Pursuant to this authority, WIRAB appreciates the opportunity to advise NERC on the proposed 2015 budget for WECC.

WIRAB recommends the adoption of WECC's proposed 2015 budget

WECC has submitted to NERC its 2015 statutory budget of \$26,300,035. WECC's proposed 2015 budget represents an increase of \$662,000 or a 2.58 percent increase over its 2014 statutory budget. WIRAB believes that WECC's 2015 statutory budget is reasonable and in the public interest for the following reasons:

- The proposed budget appropriately reverses past budgetary practices that artificially held down assessments collected under section 215 by substituting reserves for assessments and assuming an artificially large labor float.
- The proposed budget appropriately contains funding increases for Remedial Action Scheme (RAS) modeling enhancements to address a critical obligation stemming from the Arizona-Southern California Outage on September 8, 2011.
- The proposed budget provides for additional staffing to support WECC's plan to transition from CIP Version 3 standards to CIP version 5 standards under the Reliability Assurance Initiative.
- Under the proposed budget, WECC has made appropriate commitments to refine risk-based monitoring, participate in the Reliability Assurance Initiative, streamline enforcement processing, and review information technology needs. Additionally, WIRAB supports WECC's proposed Integrated Reliability Assurance Model that will identify the leading reliability issues in the Western Interconnection and focus WECC's resources to addressing these issues.
- WIRAB is encouraged by the proposed consolidation of staff into the Reliability Assessment and Performance Analysis Program. WECC needs to develop enhanced analytical capabilities that cross organizational silos.
- Under the proposed budget, WECC's Transmission Expansion Planning Policy Committee (TEPPC) will pursue analyses useful to policymakers and regulators to assess the reliability of the grid in 2024 under vastly different resource scenarios (e.g., a future with significantly greater variable generation, a future with greater-than-expected coal plant retirements, and a future with high penetrations of distributed generation.) This analysis may also inform state discussions in responding to the

Environmental Protection Agency's proposed new rules under section 111(d) of the Clean Air Act.

Conclusion

WIRAB respectfully requests that NERC approve the proposed 2015 budget for WECC.