

# 2016 Business Plan and Budget

*Western Electricity Coordinating Council*

Approved by: WECC Board of Directors

Date: June XX, 2015



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## Introduction

TOTAL RESOURCES (in whole dollars)				
	2016 Budget	U.S.	Canada	Mexico
Statutory FTEs*	140.5			
Non-statutory FTEs	6.0			
<b>Total FTEs</b>	146.5			
Statutory Expenses	\$ 27,935,691			
Non-Statutory Expenses	\$ 1,810,277			
<b>Total Expenses</b>	\$ 29,745,968			
Statutory Inc(Dec) in Fixed Assets	\$ (550,734)			
Non-Statutory Inc(Dec) in Fixed Assets	\$ (14,266)			
<b>Total Inc(Dec) in Fixed Assets</b>	\$ (565,000)			
Statutory Working Capital Requirement**	627,378			
Non-Statutory Working Capital Requirement	6,751,244			
<b>Total Working Capital Requirement</b>	7,378,622			
Total Statutory Funding Requirement	\$ 28,012,335			
Total Non-Statutory Funding Requirement	\$ 1,902,250			
<b>Total Funding Requirement</b>	\$ 29,914,585			
<b>Statutory Funding Assessments</b>	\$ 25,032,135			
<b>Non-Statutory Fees</b>	\$ 1,902,250	\$ 1,807,138	\$ 95,113	\$ -
NEL****	0			
NEL%	100.00%	#DIV/0!	#DIV/0!	#DIV/0!

\*An FTE is defined as a full-time equivalent employee.

\*\*Refer to the Statutory Reserve Analysis on page 37 in Section B.

\*\*\*Refer to the Non-Statutory Reserve Analysis on page 54 in Section C.

\*\*\*\*NEL is defined as Net Energy for Load.

## Organizational Overview

The Western Electricity Coordinating Council (WECC) is a 501(c)(4) entity operating “for the promotion of social welfare.” WECC’s mission is to foster and promote reliability and efficient coordination in the Western Interconnection. WECC’s website is <http://www.wecc.biz>.

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. As articulated by its Bylaws, WECC will lead the stakeholders in the Western Interconnection to achieve appropriate system reliability, be the premier source of unbiased information, and serve as the trusted thought leader for the Western Interconnection by providing:

- 1) impartial independent review and analysis of reliability issues impacting the Western Interconnection;
- 2) development of electric reliability standards incorporating Western Interconnection experience and knowledge;
- 3) consistent and fair monitoring and enforcement activities for compliance with reliability standards;

- 4) event analysis and lessons-learned from system events; and
- 5) value for its membership through cost effective and efficient services and practices through:
  - a) being a centralized repository of reliable information relating to the planning and operation of the Bulk Electric System (BES) in the Western Interconnection;
  - b) coordinating system planning and modeling;
  - c) sharing of, and providing comment on adherence to, recognized industry best practices;
  - d) facilitating resolution of market seams and coordination issues;
  - e) secure sharing of critical reliability data; and
  - f) providing a robust stakeholder forum.

WECC's business philosophy is guided by the following core values:

***Integrity*** – We are honest, ethical, and trustworthy. We are complete in all of our interactions. We honor our commitments and take personal responsibility for our actions.

***Collaboration*** – We work collaboratively and focus on bringing the best expertise and experience possible to solve the complex reliability challenges faced by the Western Interconnection.

***Excellence*** – We strive for technical and managerial excellence in all that we do.

***Professionalism*** – We conduct ourselves with skill, good judgment, and respectful behavior across all of our interactions.

***Inclusiveness*** – We respect the broad set of constituents in the West and their unique needs and perspectives, and will foster an open and participatory environment that encourages contributions (time, talent, ideas, and perspectives) from our staff and our stakeholders.

### **Integrated Reliability Assurance Model**

The Integrated Reliability Assurance Model represents WECC's approach to identifying, analyzing and addressing the top reliability challenges facing the Western Interconnection. WECC is taking an integrated approach to registered entity oversight, Reliability Planning, Performance Analysis and Stakeholder Outreach.

Through its unique perspective as the Compliance Enforcement Authority and Reliability Assurer for the Western Interconnection, and by leveraging its independence, expertise and analytical capabilities, WECC will partner with stakeholders to address key reliability challenges facing the West in the future.

## Membership and Governance

WECC has 348 members<sup>1</sup> divided into the following five membership classes:

1. Large Transmission Owners
2. Small Transmission Owners
3. Transmission Dependent Energy Service Providers
4. End Users
5. Representatives of State and Provincial Governments

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

WECC is governed by a nine-member Independent Board of Directors elected by the WECC membership, and WECC's Chief Executive Officer who is the tenth member per a Board resolution. The nine Independent Directors are compensated by WECC for their time.

WECC has five Board Committees that provide additional oversight of WECC operations:

- Finance and Audit Committee (FAC)
- Governance Committee (GC)
- Human Resources and Compensation Committee (HRCC)
- Nominating Committee (NC)
- Transmission Expansion Planning Policy Committee (TEPPC)

Under the direction of the WECC Board, five Standing Committees provide the Board with technical work and policy recommendations.

1. **The Member Advisory Committee (MAC)** – advises the Board on any matters the Board requests the committee to evaluate or consider, and on matters the MAC deems appropriate. The MAC chair attends WECC Board meetings to provide advice or clarifications, or to respond to Directors' questions. The Board gives serious consideration to the MAC's recommendations and responds through a means that the Board determines appropriate. The MAC is comprised of three representatives from each of the five Member Classes and three international representatives, for a total of 18 members. MAC representatives communicate and obtain input from their respective class membership.
2. **WECC Standards Committee (WSC)** – oversees the process for responding to requests for Regional Reliability Standards and Regional Criteria in accordance with the Reliability Standards Development Procedures. The WECC Standards Committee consists of one

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<sup>1</sup> As of June XX, 2015.

<sup>2</sup> Non-WECC members may participate in standards drafting teams and participating stakeholders may vote on Regional Reliability Standards. A Participating Stakeholder is defined in Section 3.23 of the WECC Bylaws and the Participating Stakeholder Application Process is described in Section 8.7.4. WECC's Reliability Standards Voting Procedures are detailed in the Reliability Standards Development Procedures.

member from each of the WECC Standards Voting Sectors and a member of the WECC Board who acts as chair of the committee.

3. **Planning Coordination Committee (PCC)** – advises the Board and makes recommendations on all matters within the jurisdiction of WECC pertaining to maintaining reliability through evaluating generation and load balance, and the adequacy of the physical infrastructure of the BES within the Western Interconnection. All member organizations are eligible for representation on the committee.
4. **Operating Committee (OC)** – advises the Board and makes recommendations on all matters within the jurisdiction of WECC pertaining to maintaining reliability through the operation and security of the BES in the Western Interconnection. All member organizations are eligible for representation on the committee.
5. **Market Interface Committee (MIC)** – advises the Board and makes recommendations on the development of consistent Market Interface practices and compatible commercial practices within the Western Interconnection. It considers matters pertaining to the impact of North American Electric Reliability Corporation (NERC) Reliability Standards and WECC's Regional Reliability Standards, Regional Criteria, procedures on the commercial electricity market in the Western Interconnection, and facilitates analysis of the impact of electricity market practices on electric system reliability. All member organizations are eligible for representation on the committee.

WECC is currently undergoing a review of its structure and governance as required by section 4.9 of the WECC Bylaws. Any recommendations that arise out of this review will be implemented in late 2015 through 2016. Due to the timing of this review, WECC has not made any provision for budget impacts in 2016.

Pursuant to Section 215(j) of the Federal Power Act, the Western Governors created the Western Interconnection Regional Advisory Body (WIRAB). WIRAB's purpose is to advise WECC, the Electric Reliability Organization (ERO) and the Federal Energy Regulatory Commission (FERC) on whether proposed reliability standards, and the governance and budgets of the ERO and WECC, are in the public interest. FERC may request that WIRAB provide advice on other topics. Members are appointed by the Governors/Premiers from Alberta, Arizona, British Columbia, California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, South Dakota, Utah, Texas, Washington, Wyoming and Mexico. WECC's budget does not include any costs related to WIRAB operations.

### **Statutory Functional Scope**

WECC has been approved by FERC as a Regional Entity, with authority, pursuant to the WECC /NERC Delegation Agreement, to:

- Participate in the development of NERC Reliability Standards, or modifications thereof, and facilitate the development of regional standards or variances through WECC's Standards Development Process;
- Identify and register responsible entities with NERC and, as needed, certify such entities;
- Monitor and enforce compliance with approved Reliability Standards, in accordance with the NERC Rules of Procedure;

- Analyze and assess system events and disturbances;
- Assess the present and future reliability, adequacy, and security of the Western Interconnection;
- Provide effective training and education; and
- Maintain situation awareness, as part of its role in periodic assessments, and protection of critical infrastructure.

### **2016 Key Assumptions**

NERC and the eight Regional Entities (collectively known as the ERO-Enterprise) collaborated in the development of the white paper “Improving Coordinated Operations Across The Electric Reliability Organization (ERO) Enterprise” commonly referred to as the ERO Enterprise Operating Model with complementary roles and responsibilities; an ERO Enterprise Strategic Plan; and a set of business planning assumptions, goals, metrics and key deliverables for the 2015-through-2018 period. NERC and the Regional Entities’ business plans and budgets reflect the work mentioned above. The entire set of Common Assumptions is provided in Exhibit A to the NERC 2016 Business Plan and Budget. WECC supports these Common Assumptions as well as assumptions specific to WECC that are described in each statutory program area in [Section A](#).

### **2016 WECC Business Objectives**

WECC has established the following four primary, long-term business objectives to improve its foundational capabilities:

#### **Strengthen the Business**

- Build a shared understanding of the key reliability challenges that will drive all of our programs
- Implement the Risk-Based Compliance Monitoring and Enforcement program
- Manage the business effectively
- Meet the responsibilities and accountabilities specified in WECC’s Bylaws and the Regional Delegation Agreement with NERC

#### **Provide Valued and High-Quality Reliability Assessments and Services**

- Develop more effective integration across programs
- Support the Region’s long-term reliability planning needs
- Improve the timeliness and impact of performance analysis activities
- Continue to improve operator training programs

#### **Bolster WECC’s Institutional Capabilities**

- Strengthen governance processes and clarify decision-making roles and responsibilities
- Effectively integrate stakeholder expertise and ensure appropriate transparency in WECC’s work
- Strengthen WECC’s Organizational Development program
- Implement the new leadership development model

#### **Increase external engagement**

- Foster relationships with key leaders across the industry footprint

- Listen to and learn from key policymakers and opinion leaders
- Extend outreach to ensure the right messages are getting to the right audiences
- Engage effectively with the ERO Enterprise

In addition, WECC's management, stakeholders, and Board have identified three broad areas of future reliability challenges that must be considered in WECC's work:

- Changing resources and loads
- Operational practices
- Situation Awareness and Event Analysis

### **2016 Overview of Cost Impacts**

WECC's proposed 2016 statutory budget is \$27.38 million, a \$1.08 million (4.13 percent) increase from the 2015 statutory budget. The increase is mainly attributable to Remedial Action Scheme (RAS) modeling software enhancements, labor float assumption changes based on actual turnover and vacancy rates, market adjustments to salaries, and search fees for Board candidates.

Full-time equivalents (FTE) represent the fractional allocation of a full-time position's cost to one or more functional areas. Headcount represents either vacant or filled positions. Significant changes to the 2016 statutory budget from the 2015 statutory budget are as follows:

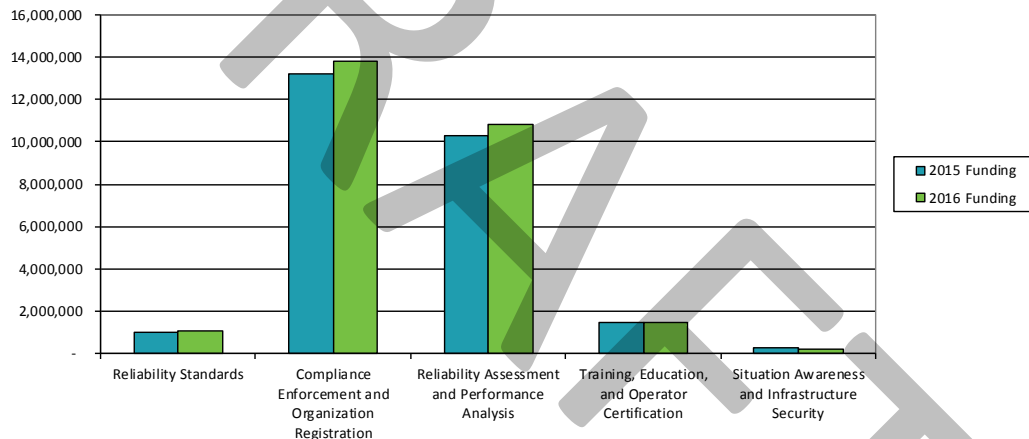
- Personnel Expenses increase by \$1.66 million primarily due to continued refinement of labor float percentages, the net addition of three positions, and adjustments to WECC's compensation program as a result of an HRCC-directed study.
- Consultants and Contracts increase by \$1.15 million primarily due to RAS modeling enhancements. There is a corresponding decrease in Fixed Assets, where RAS modeling was budgeted in 2015. There is a net decrease related to RAS modeling of \$482,000. Additionally, \$250,000 is budgeted for Board director search fees.
- Travel decreases by \$249,000 due to standardized budget assumptions used across all departments for the costs of airfare, rental car, and hotel expenditures.
- Fixed Assets decrease by \$1.38 million mainly due to the reclassification of the RAS modeling expenditures from Fixed Assets to Consultants and Contracts.



A summary of funding requirements for WECC’s primary statutory functional areas is shown in the following table and graphs:

Program	Budget 2015	Projection 2015	Budget 2016	2015 Budget v 2016	
				Budget	Variance %
Reliability Standards	1,026,818	1,026,818	1,089,201	62,383	6.1%
Compliance Enforcement and Organization Registration	13,178,512	13,178,512	13,811,437	632,925	4.8%
Reliability Assessment and Performance Analysis	10,301,986	10,301,986	10,789,122	487,136	4.7%
Training, Education, and Operator Certification	1,497,717	1,497,717	1,460,475	(37,242)	-2.5%
Situation Awareness and Infrastructure Security	295,002	295,002	234,723	(60,279)	-20.4%
<b>Total By Program</b>	<b>26,300,035</b>	<b>26,300,035</b>	<b>27,384,958</b>	<b>1,084,923</b>	
Working Capital Reserve	-	-	-	-	
<b>Total Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

**Comparison of 2016 to 2015 Budgeted Funding Requirements**



## Personnel Analysis

In 2016, there is a net increase of 3.0 FTEs (three positions). Two new auditors and two engineers are being added in 2016 and one position in General and Administrative is being eliminated. Additionally, WECC realigned and shifted some positions between programs areas in 2015 to more appropriately classify costs based on the scope of work. Those shifts account for the balance of the changes in FTEs between 2016 and 2015.

Total FTEs by Program Area	Budget 2015	Projection 2015	Direct FTEs 2016 Budget	Shared FTEs * 2016 Budget	Total FTEs 2016 Budget	Change from 2015 Budget
<b>STATUTORY</b>						
<b>Operational Programs</b>						
Reliability Standards	4.0	4.0	4.0	0.0	4.0	-
Compliance and Organization Registration and Certification	53.5	53.5	54.0	0.0	54.0	0.5
Training and Education	3.1	3.1	2.6	0.0	2.6	(0.5)
Reliability Assessment and Performance Analysis	30.8	30.8	32.5	0.0	32.5	1.7
Situation Awareness and Infrastructure Security	1.2	1.2	1.0	0.0	1.0	(0.2)
<b>Total FTEs Operational Programs</b>	<b>92.6</b>	<b>92.6</b>	<b>94.1</b>	<b>0.0</b>	<b>94.1</b>	<b>1.5</b>
<b>Corporate Services</b>						
Technical Committees and Member Forums	0.0	0.0	0.0	0.0	0.0	-
General & Administrative	20.9	20.9	21.4	0.0	21.4	0.5
Information Technology	10.0	10.0	10.0	0.0	10.0	-
Legal and Regulatory	6.0	6.0	6.0	0.0	6.0	-
Human Resources	3.0	3.0	4.0	0.0	4.0	1.0
Finance and Accounting	5.0	5.0	5.0	0.0	5.0	-
<b>Total FTEs Corporate Services</b>	<b>44.9</b>	<b>44.9</b>	<b>46.4</b>	<b>0.0</b>	<b>46.4</b>	<b>1.5</b>
<b>Total FTEs</b>	<b>137.5</b>	<b>137.5</b>	<b>140.5</b>	<b>0.0</b>	<b>140.5</b>	<b>3.0</b>

## 2015 Budget and Projection and 2016 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2015 Budget & Projection, and 2016 Budget					
STATUTORY					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 25,032,135	\$ 25,032,135	\$ -	\$ 25,032,135	\$ (0)
Penalty Sanctions	143,000	143,000	-	1,766,700	1,623,700
<b>Total WECC Funding</b>	<b>\$ 25,175,135</b>	<b>\$ 25,175,135</b>	<b>\$ -</b>	<b>\$ 26,798,835</b>	<b>\$ 1,623,700</b>
Membership Dues	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grants	(0)	(0)	-	-	0
Services & Software	-	-	-	-	-
Workshops	1,055,900	1,055,900	-	1,129,500	73,600
Interest	69,000	69,000	-	84,000	15,000
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 26,300,035</b>	<b>\$ 26,300,035</b>	<b>\$ -</b>	<b>\$ 28,012,335</b>	<b>\$ 1,712,300</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 13,095,525	\$ 13,095,525	\$ -	\$ 14,552,825	\$ 1,457,300
Payroll Taxes	960,685	960,685	\$ -	1,047,090	86,405
Benefits	2,100,312	2,100,312	\$ -	2,074,608	(25,704)
Retirement Costs	1,122,028	1,122,028	\$ -	1,259,074	137,046
<b>Total Personnel Expenses</b>	<b>\$ 17,278,551</b>	<b>\$ 17,278,551</b>	<b>\$ -</b>	<b>\$ 18,933,597</b>	<b>\$ 1,655,046</b>
<b>Meeting Expenses</b>					
Meetings	\$ 813,548	\$ 813,548	\$ -	\$ 820,200	\$ 6,652
Travel	1,422,823	1,422,823	-	1,173,371	(249,452)
Conference Calls	75,239	75,239	-	70,823	(4,416)
<b>Total Meeting Expenses</b>	<b>\$ 2,311,610</b>	<b>\$ 2,311,610</b>	<b>\$ -</b>	<b>\$ 2,064,394</b>	<b>\$ (247,216)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 2,123,220	\$ 2,123,220	\$ -	\$ 3,271,170	\$ 1,147,950
Office Rent	987,136	987,136	-	936,988	(50,148)
Office Costs	1,627,611	1,627,611	-	1,655,424	27,813
Professional Services	988,350	988,350	-	1,051,975	63,625
Miscellaneous	-	-	-	-	-
Depreciation	875,000	875,000	-	650,000	(225,000)
<b>Total Operating Expenses</b>	<b>\$ 6,601,317</b>	<b>\$ 6,601,317</b>	<b>\$ -</b>	<b>\$ 7,565,557</b>	<b>\$ 964,240</b>
<b>Total Direct Expenses</b>	<b>\$ 26,191,478</b>	<b>\$ 26,191,478</b>	<b>\$ -</b>	<b>\$ 28,563,548</b>	<b>\$ 2,372,070</b>
<b>Indirect Expenses</b>	<b>\$ (492,049)</b>	<b>\$ (492,049)</b>	<b>\$ -</b>	<b>\$ (627,857)</b>	<b>\$ (135,808)</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 25,699,428</b>	<b>\$ 25,699,428</b>	<b>\$ -</b>	<b>\$ 27,935,691</b>	<b>\$ 2,236,263</b>
<b>Change in Assets</b>	<b>\$ 600,607</b>	<b>\$ 600,607</b>	<b>\$ -</b>	<b>\$ 76,644</b>	<b>\$ (523,963)</b>
<b>Fixed Assets</b>					
Depreciation	\$ (875,000)	\$ (875,000)	\$ -	\$ (650,000)	\$ 225,000
Computer & Software CapEx	1,319,000	1,319,000	-	55,000	(1,264,000)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	148,000	148,000	-	30,000	(118,000)
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 8,607	\$ 8,607	\$ -	\$ 14,266	\$ 5,659
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ 600,607</b>	<b>\$ 600,607</b>	<b>\$ -</b>	<b>\$ (550,734)</b>	<b>\$ (1,151,341)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>26,300,035</b>	<b>26,300,035</b>	<b>-</b>	<b>27,384,957</b>	<b>1,084,922</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ 627,378</b>	<b>\$ 627,378</b>
FTEs	137.5	137.5	-	140.5	3.0
HC	138.0	138.0	-	141.0	3.0

# Section A Statutory Programs

## *2016 Business Plan and Budget*

## Section A — 2016 Business Plan and Budget - Statutory Programs

### Reliability Standards Program

Reliability Standards Program (in whole dollars)			
	2015 Budget	2016 Budget	Increase (Decrease)
Total FTEs	4.0	4.0	-
Direct Expenses	\$ 640,064	\$ 680,140	\$ 40,076
Indirect Expenses	\$ 393,639	\$ 418,571	\$ 24,932
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (6,885)	\$ (9,510)	\$ (2,625)
Total Funding Requirement	\$ 1,026,818	\$ 1,089,201	\$ 62,383

### Program Scope and Functional Description

The WECC Reliability Standards Program supports the NERC Reliability Standards Program as well as facilitates the development of WECC Regional Reliability Standards (RRS), WECC Regional Variances to NERC Reliability Standards, and WECC Regional Criteria. WECC supports the development of regional variances to a NERC Reliability Standard when it is necessary to address reliability issues within the Region that are necessitated by a physical difference in the BES or in instances where more stringent performance is desired by Western Interconnection stakeholders. WECC will only develop an RRS (rather than a variance) when a NERC Reliability Standard addressing a reliability issue does not exist.

Regional Criteria may be necessary to implement, augment or comply with NERC Reliability Standards, but they are not reliability standards and are not enforceable. Regional Criteria may include acceptable operating or planning parameters, guides, or other documents used to enhance Bulk-Power System reliability.

### 2016 Key Assumptions

- WECC expects that a significant proportion of the work required to develop regional standards, variances to NERC Reliability Standards, and Regional Criteria will continue to be performed by voluntary stakeholder participation.
- WECC will continue to rely on stakeholder volunteers for the staffing of the majority of NERC Standards drafting teams. WECC staff may, at times, participate as drafting team members or observers.
- WECC Standards staff will take an active role in the coordination and communication of NERC Standards drafting teams' activities to the Western stakeholders.
- WECC may need to develop one or more RRSs to address any regional obligations in this area, depending on the final treatment of the NERC Fill-in-the-Blank Standards. However, WECC supports NERC's efforts to replace all fill-in-the-blank standards with standards applicable to the appropriate registered entity, and doesn't anticipate it will be necessary to develop additional RRSs to address fill-in-the-blank standards.

- WECC will complete several current WECC RRS and Regional Criteria projects to allow for development work on unforeseen future projects.
- WECC will undertake a review of existing WECC RRSs to determine whether any are candidates for incorporation as a regional variance to a continent-wide NERC Reliability Standard.
- Integration of renewable resources may require new or modified NERC Reliability Standards.
- WECC will support the concept of and will participate, when appropriate, in the enhanced periodic reviews of NERC Reliability Standards.

### **2016 Goals and Key Deliverables**

- Ensure the Western Interconnection perspective is represented in NERC continent-wide Reliability Standards, if necessary, through the development of Regional Variances.
- Ensure that the RRSs and Regional Criteria developed by the WECC Standards Department meet the needs of the Western stakeholders.
- Ensure that WECC members and stakeholders are informed and engaged in NERC Standards development efforts.
- Provide leadership and guidance to encourage Western Interconnection stakeholder awareness and participation in the development of NERC Results-Based Standards.
- Undertake regular outreach to keep stakeholders informed about standards development and the NERC Results-Based Standards initiative.
- Provide support to NERC's informal outreach and enhanced periodic review efforts.
- Provide support to the NERC Cost Effective Analysis Process.
- Ensure that WECC's procedures are developed and updated as necessary to comply with the requirements of any remaining NERC Fill-in-the-Blank Standards.
- Post updates and provide enhancements to the WECC Standards Outreach Web page.
- Facilitate and support the activities of the WECC Standards Committee.
- Continue support of the NERC Standards Committee and its subcommittees.

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

#### **Personnel Expenses**

- Personnel Expenses increase by \$46,000 primarily due to the refinement of the labor float rate and a budgeted three-percent merit increase.

#### **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 2015 and 2016 budgets.

## Reliability Standards Program

Funding sources and related expenses for the Reliability Standards section of the 2016 Business Plan and Budget are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2015 Budget & Projection, and 2016 Budget					
RELIABILITY STANDARDS					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 1,017,660	\$ 1,017,660	\$ -	\$ 1,035,484	\$ 17,824
Penalty Sanctions	6,177	6,177	-	75,099	68,922
<b>Total WECC Funding</b>	<b>\$ 1,023,837</b>	<b>\$ 1,023,837</b>	<b>\$ -</b>	<b>\$ 1,110,583</b>	<b>\$ 86,746</b>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	2,981	2,981	-	3,571	590
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 1,026,818</b>	<b>\$ 1,026,818</b>	<b>\$ -</b>	<b>\$ 1,114,154</b>	<b>\$ 87,336</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 477,416	\$ 477,416	\$ -	\$ 518,048	\$ 40,632
Payroll Taxes	34,358	34,358	-	37,302	2,944
Benefits	44,967	44,967	-	44,778	(189)
Retirement Costs	41,514	41,514	-	43,757	2,243
<b>Total Personnel Expenses</b>	<b>\$ 598,255</b>	<b>\$ 598,255</b>	<b>\$ -</b>	<b>\$ 643,885</b>	<b>\$ 45,630</b>
<b>Meeting Expenses</b>					
Meetings	\$ 528	\$ 528	\$ -	\$ 1,420	\$ 892
Travel	32,175	32,175	-	26,925	(5,250)
Conference Calls	3,027	3,027	-	2,565	(462)
<b>Total Meeting Expenses</b>	<b>\$ 35,730</b>	<b>\$ 35,730</b>	<b>\$ -</b>	<b>\$ 30,910</b>	<b>\$ (4,820)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	6,079	6,079	-	5,345	(734)
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 6,079</b>	<b>\$ 6,079</b>	<b>\$ -</b>	<b>\$ 5,345</b>	<b>\$ (734)</b>
<b>Total Direct Expenses</b>	<b>\$ 640,064</b>	<b>\$ 640,064</b>	<b>\$ -</b>	<b>\$ 680,140</b>	<b>\$ 40,076</b>
<b>Indirect Expenses</b>	<b>\$ 393,639</b>	<b>\$ 393,639</b>	<b>\$ -</b>	<b>\$ 418,571</b>	<b>\$ 24,932</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 1,033,703</b>	<b>\$ 1,033,703</b>	<b>\$ -</b>	<b>\$ 1,098,711</b>	<b>\$ 65,008</b>
<b>Change in Assets</b>	<b>\$ (6,885)</b>	<b>\$ (6,885)</b>	<b>\$ -</b>	<b>\$ 15,443</b>	<b>\$ 22,328</b>
<b>Fixed Assets</b>					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (6,885)	\$ (14,099)	\$ (7,214)	\$ (9,510)	\$ (2,625)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (6,885)</b>	<b>\$ (14,099)</b>	<b>\$ (7,214)</b>	<b>\$ (9,510)</b>	<b>\$ (2,625)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>1,026,818</b>	<b>1,019,604</b>	<b>(7,214)</b>	<b>1,089,201</b>	<b>62,383</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ 7,214</b>	<b>\$ 7,214</b>	<b>\$ 24,953</b>	<b>\$ 24,953</b>
FTEs	4.0	4.0	-	4.0	-
HC	4.0	4.0	-	4.0	-

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

Compliance Monitoring and Enforcement and Organization Registration and Certification Program (in whole dollars)			
	2015 Budget	2016 Budget	Increase (Decrease)
Total FTEs	53.5	54.0	0.5
Direct Expenses	\$ 8,025,682	\$ 8,311,118	\$ 285,436
Indirect Expenses	\$ 5,264,920	\$ 5,650,711	\$ 385,791
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (112,090)	\$ (150,392)	\$ (38,302)
Total Funding Requirement	\$ 13,178,512	\$ 13,811,437	\$ 632,925

### Program Scope and Functional Description

WECC's Compliance Monitoring and Enforcement and Organization Registration Program Area (CMEP) is implemented by WECC Registered Entity Oversight staff members who are independent of all users, owners, and operators of the BES. All approved and effective mandatory reliability standards are monitored and enforced under the CMEP, including standards made mandatory pursuant to FERC Order 693, the Critical Infrastructure Protection (CIP) standards under FERC Order 706 and various other FERC orders approving standards since Orders 693 and 703. To accomplish its objectives, Compliance staff is divided into five main areas: 1) Operations and Planning (O&P) Audits and Investigations, 2) CIP Audits and Investigations, 3) Enforcement, 4) Risk Analysis, and 5) Program Administration.

As WECC fully implements the risk-based concepts and tailors compliance monitoring strategies for individual entities, resource requirements are shifting to more comprehensive assessment of reliability, regional and entity risk from the more recent one size fits all approach with check-the-box auditing. Auditors are supporting the inherent risk assessment and internal controls evaluation; both critical to audit planning. This shift will allow for flexibility in the audit and compliance monitoring program to more effectively use audit staff and respond to potential reliability issues in a proactive way. One example is more focus on misoperations and the various follow up activities and coordination between entities.

The recently codified Multi-Region Registered Entity, or Coordinated Oversight Program, has been implemented across the ERO with minimal impact to WECC. FERC has essentially approved phase I of the ongoing Risk-Based Registration initiative with some guidance for additional information. WECC is fully supportive of the phase one effort that reduces the burden on WECC staff to audit entities that are non-material to the BPS. However, phase two is a more significant analytical effort. Both the current integration of risk-based concepts in the compliance monitoring and enforcement program coupled and the ongoing Bulk Electric System definition implementation should be allowed to fully play out and mature prior to any potential conflicting conclusions being reached in phase two of the Risk-Based Registration.



## Compliance in Alberta, British Columbia, and Mexico

Alberta and British Columbia, Canada; and Baja California Norte, Mexico are all part of the WECC footprint, 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 Federal de Electricidad (CFE) under which WECC performs compliance monitoring activities to help assure reliability across international borders within the Western Interconnection.

### 2016 Key Assumptions

- WECC provides support, as needed, for activities undertaken subject to NERC's Strategic Plan, and in fulfilling WECC's role as noted above.
- WECC Compliance responds to FERC directives and orders as well as to significant new initiatives not currently identified that may be generated by NERC or by NERC and the Regional Entities.
- The deregistration and removal of Distribution Providers and Load-Serving Entities results in reduced audit and compliance monitoring efforts by WECC staff that can be redirected to the inherent risk assessment and internal controls evaluation.
- WECC fully integrates risk-based concepts in compliance monitoring activities.
- Recommendations from the NERC review of the WECC Inherent Risk Assessment (IRA) and Internal Controls Evaluation (ICE) processes will be accomplished with existing resources, process improvements and reprioritized staff efforts. Any additional workload will be handled with our existing FTEs through identification of efficiencies and work process improvement.
- WECC has planned 20 on-site audits and four spot checks of registered entities for 2016. Off-site audits will be determined from risk-based analysis.<sup>3</sup>
- WECC does not anticipate any hearings in 2016.
- WECC adds two auditor trainee positions in 2016. These positions are being added as a result of work force planning. Our intention is to reduce our reliance on contract employees.
- WECC transfers two administrative positions to General and Administrative in 2016.

### 2016 Goals and Key Deliverables

- Monitor and enforce compliance with mandatory standards in accordance with 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 in accordance with the approved memoranda of understanding with Canadian and Mexican authorities.

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<sup>3</sup> The 2016 schedule of on-site audits, off-site audits, and spot checks is based on the risk assessment and analysis process and is subject to change.

- Work with registered entities within the WECC Region to promote a strong culture of compliance and reliability improvement. Provide feedback to the registration and standards programs as part of the Integrated Reliability Assurance Model:
  - Identify key areas needing improvement based on compliance program results and system events, implement educational efforts to improve compliance in those areas.
  - Identify where existing NERC Reliability Standards can be improved or clarified.
- Participate in and represent the Western Interconnection on issues that will impact WECC in regard to NERC and regional initiatives, for example: integrating risk-based concepts in compliance monitoring and enforcement for the Risk-based CMEP (formerly known as the Reliability Assurance Initiative (RAI) streamlining enforcement processing, increasing consistency across the Regions, and reviewing information technology needs.
- Monitor and manage enforcement measures and metrics in support of NERC's Strategic Plan including caseload index, violation aging, and mitigation plan aging; collaborate with the ERO enterprise to develop better measures of program effectiveness.
- Develop processes to demonstrate rigor and competency in the implementation of risk-based compliance monitoring activities.
- Develop a process to increase flexibility in the use of compliance monitoring resources while meeting statutory obligations and addressing emerging reliability risks in a proactive manner.
- Capture resource changes and impacts of the full integration of risk-based concepts in the compliance monitoring activities.
- Conduct outreach to the industry in various forums; webinars, conferences and entity specific engagement as part of the Integrated Reliability Assurance Model demonstrating feedback loops and inter-relationships across WECC.

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

#### **Personnel Expenses**

- Personnel Expenses increase by \$266,000 primarily due to the reclassification of one position (1 FTE) from Compliance to Corporate Services, the reallocation of 0.5 FTE of the Stakeholder Relations position from Compliance to the Communications Department in Corporate Services, the addition of two auditor trainee positions (2.0 FTE) for a net increase of 0.5 FTEs as well as the refinement of the labor float rate based on actual turnover and vacancy rates and a budgeted three-percent merit increase.

#### **Meeting Expenses**

- Travel Expense decreases by \$153,000 due to the implementation of risk-based compliance monitoring, which should reduce travel expenditures in Compliance. Additionally, standard budget assumptions were used in all departments for travel, hotel and rental car expenditures, which also reduces estimated travel costs in some areas.

**Operating Expenses**

- Office Costs increase by \$172,000 primarily due to the reclassification of webCDMS from General and Administrative to Compliance.

**Fixed Assets**

- No significant changes.

See Section B – Supplemental Financial Information for explanations of other variances between the 2015 and 2016 budgets.

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**Compliance Enforcement and Organization and Registration and Certification Program**

Funding sources and related expenses for the Compliance Enforcement and Organization and Registration and Certification section of the 2016 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2015 Budget & Projection, and 2016 Budget					
COMPLIANCE AND ORGANIZATION REGISTRATION AND CERTIFICATION					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 13,056,028	\$ 13,056,028	\$ -	\$ 13,062,213	\$ 6,185
Penalty Sanctions	82,619	82,619	-	1,013,834	931,215
<b>Total WECC Funding</b>	<b>\$ 13,138,647</b>	<b>\$ 13,138,647</b>	<b>\$ -</b>	<b>\$ 14,076,047</b>	<b>\$ 937,400</b>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	3,600	3,600
Interest	39,865	39,865	-	48,204	8,339
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 13,178,512</b>	<b>\$ 13,178,512</b>	<b>\$ -</b>	<b>\$ 14,127,851</b>	<b>\$ 949,339</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 5,032,890	\$ 5,032,890	\$ -	\$ 5,288,714	\$ 255,824
Payroll Taxes	387,555	387,555	-	411,811	24,256
Benefits	675,026	675,026	-	648,318	(26,708)
Retirement Costs	438,745	438,745	-	451,633	12,888
<b>Total Personnel Expenses</b>	<b>\$ 6,534,216</b>	<b>\$ 6,534,216</b>	<b>\$ -</b>	<b>\$ 6,800,476</b>	<b>\$ 266,260</b>
<b>Meeting Expenses</b>					
Meetings	\$ 6,685	\$ 6,685	\$ -	\$ 1,948	\$ (4,737)
Travel	849,896	849,896	-	696,704	(153,192)
Conference Calls	13,152	13,152	-	13,339	187
<b>Total Meeting Expenses</b>	<b>\$ 869,733</b>	<b>\$ 869,733</b>	<b>\$ -</b>	<b>\$ 711,991</b>	<b>\$ (157,742)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 467,920	\$ 467,920	\$ -	\$ 472,170	\$ 4,250
Office Rent	1,600	1,600	-	-	(1,600)
Office Costs	132,213	132,213	-	304,481	172,268
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	20,000	20,000	-	22,000	2,000
<b>Total Operating Expenses</b>	<b>\$ 621,733</b>	<b>\$ 621,733</b>	<b>\$ -</b>	<b>\$ 798,651</b>	<b>\$ 176,918</b>
<b>Total Direct Expenses</b>	<b>\$ 8,025,682</b>	<b>\$ 8,025,682</b>	<b>\$ -</b>	<b>\$ 8,311,118</b>	<b>\$ 285,436</b>
<b>Indirect Expenses</b>	<b>\$ 5,264,920</b>	<b>\$ 5,264,920</b>	<b>\$ -</b>	<b>\$ 5,650,711</b>	<b>\$ 385,791</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 13,290,602</b>	<b>\$ 13,290,602</b>	<b>\$ -</b>	<b>\$ 13,961,829</b>	<b>\$ 671,227</b>
<b>Change in Assets</b>	<b>\$ (112,090)</b>	<b>\$ (112,090)</b>	<b>\$ -</b>	<b>\$ 166,022</b>	<b>\$ 278,112</b>
<b>Fixed Assets</b>					
Depreciation	(20,000)	(20,000)	-	(22,000)	(2,000)
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (92,090)	\$ (188,575)	\$ (96,485)	\$ (128,392)	\$ (36,302)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (112,090)</b>	<b>\$ (208,575)</b>	<b>\$ (96,485)</b>	<b>\$ (150,392)</b>	<b>\$ (38,302)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>13,178,512</b>	<b>13,082,027</b>	<b>(96,485)</b>	<b>13,811,437</b>	<b>632,925</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ 96,485</b>	<b>\$ 96,485</b>	<b>\$ 316,414</b>	<b>\$ 316,414</b>
FTEs	53.5	53.5	-	54.0	0.5
HC	54.0	54.0	-	54.0	-

**Reliability Assessment and Performance Analysis Program**

<b>Reliability Assessment and Performance Analysis</b> (in whole dollars)			
	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Increase (Decrease)</b>
Total FTEs	30.8	32.5	1.7
Direct Expenses	\$ 6,543,983	\$ 7,767,095	\$ 1,223,112
Indirect Expenses	\$ 3,031,019	\$ 3,404,379	\$ 373,360
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ 726,984	\$ (382,352)	\$ (1,109,336)
Total Funding Requirement	\$ 10,301,986	\$ 10,789,122	\$ 487,136

**Program Scope and Functional Description**

WECC conducts a variety of studies and assessments essential to the reliable planning and operation of the BES in the Western Interconnection. In addition, WECC compiles and distributes planning data and information that is used by WECC stakeholders to aid in local planning studies. These integrated planning efforts enhance WECC's overall ability to participate in, and respond to, the major planning and public policy issues emerging both in the Western Interconnection and nationally.

In early 2015, as the next step in operationalizing the Integrated Reliability Assurance Model, WECC organized the RAPA program area into three departments.

1. The Performance Analysis Department will focus on conducting robust analyses on the historical operation and performance of the Western Interconnection in an effort to identify best practices and assess risks.
2. The Events Analysis Department will focus on performing analyses with the objective that system conditions that impact or have the potential to impact reliable operations are recognized and analyzed in detail to ensure a full understanding of the events.
3. The Reliability Planning Department will focus on developing and maintaining WECC's integrated capability to study Western Interconnection reliability issues considering both system adequacy and system stability in close collaboration with the WECC Member Committees.

These are the teams that will be most involved in the Integrated Reliability Assurance Model assessments of:

- reliability implications of the West's changing resource mix;
- institutionalization of operating practices across our registered entities, which will improve reliability; and
- improvement in timeliness and dissemination of lessons learned from event analyses.

## 2016 Key Assumptions

- WECC will add two engineering positions in 2016 to perform reliability studies in lieu of using higher-priced consultants.
- WECC will be designated as the Interconnection-wide model builder under the NERC MOD-032 Standard.
- WECC will continue the development of RAS and contingency definition models for use in power flow and stability simulation programs.
- Work will continue to reconcile data in various planning models to allow WECC to perform integrated reliability analyses based on challenges identified through the Integrated Reliability Assurance Model.
- WECC will study the Interconnection-wide reliability impacts of the State Implementation Plans associated with EPA's proposed 111(d) rules in 2016.
- WECC will continue to support and participate in the NERC ERO Events Analysis Process and will coordinate with entities to perform detailed cause coding of events.

## 2016 Goals and Key Deliverables

- Produce Interconnection-wide base cases that include RAS by requesting RAS owners to provide data as part of the base case development process.
- Prepare Interconnection-wide power flow and stability base cases and conduct reliability studies to address key reliability challenges facing the Interconnection.
- Facilitate dynamic model development.
- Develop and maintain a database for production cost and capital cost models and conduct system adequacy analyses to meet the needs of NERC and WECC.
- Enhance probabilistic-based planning and analysis tools and capabilities.
- Support Interconnection-wide transmission expansion planning processes.
- Use data from actual system disturbances to validate power flow and stability base case models, and to identify near-misses.
- Publish WECC Transmission Maps of the existing and planned system.
- Oversee and facilitate the Project Coordination and Project Rating Review Process.
- Process BES Definition exception requests.
- Verify and submit NERC Transmission Availability Data System (TADS), Generator Availability Data System (GADS), and Demand Response Availability Data System (DADS) filings.
- Analyze trends and patterns in historical system performance, resource and load composition, and publish in reports such as the Annual State of the Interconnection report.
- Conduct the annual Operational Practices Survey and accompanying summary report to identify best practices and potential risk to reliability.

- Evaluate historical system performance trends to identify reliability risk metrics and key indicators.
- Complete Events Analysis reports and develop Lessons Learned to support a high level of reliability within the BES while minimizing the possibility of major significant events and preventing reoccurrence of similar type events.
- Ensure the Western Interconnection is represented in reliability matters by participating in various NERC committees and industry forums.

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

#### **Personnel Expenses**

- Personnel Expenses increase by \$453,000 primarily due to the addition of two engineers (1.5 FTE), for studies and analyses to reduce the need for outside consultants as well as a budgeted three-percent merit increase and the refinement of the labor float percentage based on actual turnover and vacancy rates.

#### **Meeting Expenses**

- No significant changes.

#### **Operating Expenses**

- Consultants and Contracts increases by a net of \$992,000 primarily due to an increase of \$898,000 for RAS modeling. RAS modeling was reclassified from Fixed Assets to Consultants and Contracts in 2016; the net change in RAS modeling expenditures between 2015 and 2016 is a decrease of \$402,000. Additionally, consultants in one department were eliminated due to an increase in staff, which reduces Consultants and Contracts by \$167,000. Other increases for studies and modeling total \$261,000.

#### **Fixed Assets**

- Fixed Assets decrease by \$1.3 million mainly due to the reclassification of the RAS modeling expenditures from Fixed Assets to Consultants and Contracts.

See Section B – Supplemental Financial Information for explanations of other variances between the 2015 and 2016 budgets.

## Reliability Assessment and Performance Analysis Program

Funding sources and related expenses for the Reliability Assessment and Performance Analysis section of the 2016 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2015 Budget & Projection, and 2016 Budget					
RELIABILITY ASSESSMENT AND PERFORMANCE ANALYSIS					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 10,231,472	\$ 10,231,472	\$ -	\$ 10,396,451	\$ 164,979
Penalty Sanctions	47,564	47,564	-	610,804	563,240
<b>Total WECC Funding</b>	<b>\$ 10,279,036</b>	<b>\$ 10,279,036</b>	<b>\$ -</b>	<b>\$ 11,007,255</b>	<b>\$ 728,219</b>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	22,950	22,950	-	29,041	6,091
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 10,301,986</b>	<b>\$ 10,301,986</b>	<b>\$ -</b>	<b>\$ 11,036,296</b>	<b>\$ 734,310</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 3,062,768	\$ 3,062,768	\$ -	\$ 3,446,796	\$ 384,028
Payroll Taxes	238,217	238,217	-	268,330	30,113
Benefits	375,438	375,438	-	373,565	(1,873)
Retirement Costs	266,328	266,328	-	307,085	40,757
<b>Total Personnel Expenses</b>	<b>\$ 3,942,751</b>	<b>\$ 3,942,751</b>	<b>\$ -</b>	<b>\$ 4,395,776</b>	<b>\$ 453,025</b>
<b>Meeting Expenses</b>					
Meetings	\$ 137,430	\$ 137,430	\$ -	\$ 130,934	\$ (6,496)
Travel	221,552	221,552	-	209,375	(12,177)
Conference Calls	29,600	29,600	-	32,100	2,500
<b>Total Meeting Expenses</b>	<b>\$ 388,582</b>	<b>\$ 388,582</b>	<b>\$ -</b>	<b>\$ 372,409</b>	<b>\$ (16,173)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 1,332,000	\$ 1,332,000	\$ -	\$ 2,324,000	\$ 992,000
Office Rent	-	-	-	-	-
Office Costs	360,650	360,650	-	369,910	9,260
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	520,000	520,000	-	305,000	(215,000)
<b>Total Operating Expenses</b>	<b>\$ 2,212,650</b>	<b>\$ 2,212,650</b>	<b>\$ -</b>	<b>\$ 2,998,910</b>	<b>\$ 786,260</b>
<b>Total Direct Expenses</b>	<b>\$ 6,543,983</b>	<b>\$ 6,543,983</b>	<b>\$ -</b>	<b>\$ 7,767,095</b>	<b>\$ 1,223,112</b>
<b>Indirect Expenses</b>	<b>\$ 3,031,019</b>	<b>\$ 3,031,019</b>	<b>\$ -</b>	<b>\$ 3,404,379</b>	<b>\$ 373,360</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 9,575,002</b>	<b>\$ 9,575,002</b>	<b>\$ -</b>	<b>\$ 11,171,474</b>	<b>\$ 1,596,472</b>
<b>Change in Assets</b>	<b>\$ 726,984</b>	<b>\$ 726,984</b>	<b>\$ -</b>	<b>\$ (135,178)</b>	<b>\$ (862,162)</b>
<b>Fixed Assets</b>					
Depreciation	(520,000)	(520,000)	-	(305,000)	215,000
Computer & Software CapEx	1,300,000	1,300,000	-	-	(1,300,000)
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (53,016)	\$ (108,563)	\$ (55,547)	\$ (77,352)	\$ (24,336)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ 726,984</b>	<b>\$ 671,437</b>	<b>\$ (55,547)</b>	<b>\$ (382,352)</b>	<b>\$ (1,109,336)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>10,301,986</b>	<b>10,246,439</b>	<b>(55,547)</b>	<b>10,789,122</b>	<b>487,136</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ 55,547</b>	<b>\$ 55,547</b>	<b>\$ 247,174</b>	<b>\$ 247,174</b>
FTEs	30.8	30.8	-	32.5	1.7
HC	32.0	32.0	-	33.0	1.0



**Training, Education, and Operator Certification Program**

<b>Training, Education, and Operator Certification</b> (in whole dollars)			
	<b>2015 Budget</b>	<b>2016 Budget</b>	<b>Increase (Decrease)</b>
Total FTEs	3.1	2.6	(0.5)
Direct Expenses	\$ 1,197,983	\$ 1,194,586	\$ (3,397)
Indirect Expenses	\$ 305,070	\$ 272,071	\$ (32,999)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (5,336)	\$ (6,182)	\$ (846)
Total Funding Requirement	\$ 1,497,717	\$ 1,460,475	\$ (37,242)

**Program Scope and Functional Description**

The Training, Education, and Operator Certification Program Area provides education and training on the application of standards, compliance issues, improvement of compliance programs, and technical training for system operators and schedulers.

**2016 Key Assumptions**

- Overall attendance continues to trend upward for 2016.
- There are no significant changes in operator certification continuing education unit requirements for 2016.
- The Training, Education, and Operator Certification Program Area remains primarily self-funded in 2016.
- Operator training sessions are mostly held at the Salt Lake City Training Center, with the balance hosted by WECC members.
- WECC will deliver two Compliance User Group and three CIP User Group meetings in 2016.
- WECC will conduct one reliability issues forum in 2016 to enhance outreach to all stakeholders as part of the Integrated Reliability Assurance Model.

**2015 Goals and Key Deliverables**

- Improve reliability by providing high-quality operator training through the WECC-sponsored Training Program, to include:
  - Review and revise curriculum as needed;
  - Support the Continuing Education Program for System Operators requiring NERC Certification;
  - Continue to enhance and expand the use of the simulator and practical Western Interconnection-specific training; and
  - Evaluate member feedback and concerns, and address through training program improvements.
- Create and deliver additional outreach for CIP version 5.
- Provide 12 monthly “Compliance Open-Webs.”

## Resource Requirements/Explanation of Significant Changes

### Personnel Expenses

- Personnel Expenses decrease by \$55,000 primarily due to 0.5 FTE moving from Stakeholder Relations to the Communications Department in Corporate Services as well as refinement of the labor float rate.

### Meeting Expenses

- Meetings increase by \$82,000 primarily due to the addition of the reliability issues forum.

### Operating Expenses

- No significant changes.

### Fixed Assets

- No significant changes.

See Section B – Supplemental Financial Information for explanations of other variances between the 2015 and 2016 budgets.

## Training, Education, and Operator Certification Program

Funding sources and related expenses for the Training, Education, and Operator Certification section of the 2016 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital 2015 Budget & Projection, and 2016 Budget					
TRAINING AND EDUCATION					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 434,720	\$ 434,720	\$ -	\$ 316,899	\$ (117,821)
Penalty Sanctions	4,787	4,787	-	48,814	44,027
<b>Total WECC Funding</b>	<b>\$ 439,507</b>	<b>\$ 439,507</b>	<b>\$ -</b>	<b>\$ 365,713</b>	<b>\$ (73,794)</b>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	1,055,900	1,055,900	-	1,125,900	70,000
Interest	2,310	2,310	-	2,321	11
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 1,497,717</b>	<b>\$ 1,497,717</b>	<b>\$ -</b>	<b>\$ 1,493,934</b>	<b>\$ (3,783)</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 351,089	\$ 351,089	\$ -	\$ 310,800	\$ (40,289)
Payroll Taxes	25,665	25,665	-	22,861	(2,804)
Benefits	36,173	36,173	-	28,113	(8,060)
Retirement Costs	30,530	30,530	-	26,252	(4,278)
<b>Total Personnel Expenses</b>	<b>\$ 443,457</b>	<b>\$ 443,457</b>	<b>\$ -</b>	<b>\$ 388,026</b>	<b>\$ (55,431)</b>
<b>Meeting Expenses</b>					
Meetings	\$ 489,300	\$ 489,300	\$ -	\$ 571,000	\$ 81,700
Travel	16,850	16,850	-	9,220	(7,630)
Conference Calls	8,750	8,750	-	5,980	(2,770)
<b>Total Meeting Expenses</b>	<b>\$ 514,900</b>	<b>\$ 514,900</b>	<b>\$ -</b>	<b>\$ 586,200</b>	<b>\$ 71,300</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 92,000	\$ 92,000	\$ -	\$ 68,000	\$ (24,000)
Office Rent	47,676	47,676	-	45,000	(2,676)
Office Costs	99,950	99,950	-	107,360	7,410
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 239,626</b>	<b>\$ 239,626</b>	<b>\$ -</b>	<b>\$ 220,360</b>	<b>\$ (19,266)</b>
<b>Total Direct Expenses</b>	<b>\$ 1,197,983</b>	<b>\$ 1,197,983</b>	<b>\$ -</b>	<b>\$ 1,194,586</b>	<b>\$ (3,397)</b>
<b>Indirect Expenses</b>	<b>\$ 305,070</b>	<b>\$ 305,070</b>	<b>\$ -</b>	<b>\$ 272,071</b>	<b>\$ (32,999)</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 1,503,053</b>	<b>\$ 1,503,053</b>	<b>\$ -</b>	<b>\$ 1,466,657</b>	<b>\$ (36,396)</b>
<b>Change in Assets</b>	<b>\$ (5,336)</b>	<b>\$ (5,336)</b>	<b>\$ -</b>	<b>\$ 27,277</b>	<b>\$ 32,613</b>
<b>Fixed Assets</b>					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (5,336)	\$ (10,927)	\$ (5,591)	\$ (6,182)	\$ (846)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (5,336)</b>	<b>\$ (10,927)</b>	<b>\$ (5,591)</b>	<b>\$ (6,182)</b>	<b>\$ (846)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>1,497,717</b>	<b>1,492,126</b>	<b>(5,591)</b>	<b>1,460,475</b>	<b>(37,242)</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ 5,591</b>	<b>\$ 5,591</b>	<b>\$ 33,459</b>	<b>\$ 33,459</b>
FTEs	3.1	3.1	-	2.6	(0.5)
HC	3.0	3.0	-	3.0	-

**Situation Awareness and Infrastructure Security Program**

<b>Situation Awareness and Infrastructure Security</b> (in whole dollars)			
	2015 Budget	2016 Budget	Increase (Decrease)
Total FTEs	1.2	1.0	(0.2)
Direct Expenses	\$ 178,977	\$ 135,866	\$ (43,111)
Indirect Expenses	\$ 118,092	\$ 101,155	\$ (16,937)
Other Non-Operating Expenses	\$ -	\$ -	\$ -
Inc(Dec) in Fixed Assets	\$ (2,066)	\$ (2,298)	\$ (232)
Total Funding Requirement	\$ 295,002	\$ 234,723	\$ (60,279)

**Program Scope and Functional Description**

WECC's Situation Awareness and Infrastructure Security (SAIS) Program Area maintains near real-time awareness about the conditions of the interconnected Bulk Electric System in the Western Interconnection and responds to events by providing coordination, assistance and communications with Peak Reliability, stakeholders, WECC management, and the NERC SAIS personnel.

**2016 Key Assumptions**

- The Situation Awareness – FERC, NERC, and Regions (SAFNR) project will continue to provide situation awareness capabilities at both NERC and Regional Entity levels.
- WECC will use its Situation Awareness process to support NERC and FERC's efforts for situation awareness of current system conditions.
- WECC will work with NERC and the ES-ISAC to ensure appropriate event information is being disseminated in a timely manner to industry.

**2016 Goals and Key Deliverables**

- WECC SAIS Staff will monitor System Events, collect information and coordinate the distribution of timely updates on System Events to WECC Management, industry stakeholders and NERC SAIS staff.
- Staff will continue to monitor system data, weather, and technological developments to understand trends that affect reliability for the near- and long-term horizons.
- Staff will participate on daily NERC SAIS calls to coordinate, report, and receive any critical information.
- Staff will continue to develop and enhance ways to improve on the use of SAFNR data to further support SAIS.
- WECC will ensure the Western Interconnection is represented in reliability matters by participating in various NERC committees and industry forums.

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

- Personnel Expenses decrease by \$43,000 primarily due to a reduction in the FTE allocation to the Situation Awareness and Infrastructure Security program as well as the refinement of labor float assumptions.

**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 2015 and 2016 budgets.

## Situation Awareness and Infrastructure Security Program

Funding sources and related expenses for the Situation Awareness and Infrastructure Security section of the 2016 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2015 Budget & Projection, and 2016 Budget					
SITUATION AWARENESS AND INFRASTRUCTURE SECURITY					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ 292,255	\$ 292,255	\$ -	\$ 221,089	\$ (71,166)
Penalty Sanctions	1,853	1,853	-	18,149	16,296
<b>Total WECC Funding</b>	<b>\$ 294,108</b>	<b>\$ 294,108</b>	<b>\$ -</b>	<b>\$ 239,238</b>	<b>\$ (54,870)</b>
Membership Dues	\$ -	\$ -	\$ -	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	894	894	-	863	(31)
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 295,002</b>	<b>\$ 295,002</b>	<b>\$ -</b>	<b>\$ 240,101</b>	<b>\$ (54,901)</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 141,605	\$ 141,605	\$ -	\$ 107,448	\$ (34,157)
Payroll Taxes	11,010	11,010	-	8,806	(2,204)
Benefits	14,048	14,048	-	10,494	(3,554)
Retirement Costs	12,313	12,313	-	9,118	(3,195)
<b>Total Personnel Expenses</b>	<b>\$ 178,977</b>	<b>\$ 178,977</b>	<b>\$ -</b>	<b>\$ 135,866</b>	<b>\$ (43,111)</b>
<b>Meeting Expenses</b>					
Meetings	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Conference Calls	-	-	-	-	-
<b>Total Meeting Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Direct Expenses</b>	<b>\$ 178,977</b>	<b>\$ 178,977</b>	<b>\$ -</b>	<b>\$ 135,866</b>	<b>\$ (43,111)</b>
<b>Indirect Expenses</b>	<b>\$ 118,092</b>	<b>\$ 118,092</b>	<b>\$ -</b>	<b>\$ 101,155</b>	<b>\$ (16,937)</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 297,068</b>	<b>\$ 297,068</b>	<b>\$ -</b>	<b>\$ 237,021</b>	<b>\$ (60,047)</b>
<b>Change in Assets</b>	<b>\$ (2,066)</b>	<b>\$ (2,066)</b>	<b>\$ -</b>	<b>\$ 3,080</b>	<b>\$ 5,146</b>
<b>Fixed Assets</b>					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (2,066)	\$ (4,230)	\$ (2,164)	\$ (2,298)	\$ (232)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (2,066)</b>	<b>\$ (4,230)</b>	<b>\$ (2,164)</b>	<b>\$ (2,298)</b>	<b>\$ (232)</b>
<b>TOTAL BUDGET (B+C)</b>	<b>295,002</b>	<b>292,839</b>	<b>(2,164)</b>	<b>234,723</b>	<b>(60,279)</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ -</b>	<b>\$ 2,164</b>	<b>\$ 2,164</b>	<b>\$ 5,378</b>	<b>\$ 5,378</b>
FTEs	1.2	1.2	-	1.0	(0.2)
HC	-	-	-	1.0	1.0

## Corporate Services

Corporate Services (in whole dollars)						
	Direct Expenses and Fixes Assets			FTEs		
	2015 Budget	2016 Budget	Increase (Decrease)	2015 Budget	2016 Budget	Increase (Decrease)
Committee and Member Forums	\$ 1,122,427	\$ 1,275,312	\$ 152,885	-	-	-
General and Administrative	\$ 4,192,980	\$ 4,653,200	\$ 460,220	20.90	21.40	0.50
Legal and Regulatory	\$ 1,098,349	\$ 1,168,170	\$ 69,821	6.00	6.00	-
Information Technology	\$ 1,646,668	\$ 1,589,148	\$ (57,520)	10.00	10.00	-
Human Resources	\$ 874,047	\$ 1,044,016	\$ 169,969	3.00	4.00	1.00
Accounting and Finance	\$ 670,318	\$ 744,897	\$ 74,579	5.00	5.00	-
<b>Total Corporate Services</b>	<b>\$ 9,604,789</b>	<b>\$ 10,474,743</b>	<b>\$ 869,954</b>	<b>44.90</b>	<b>46.40</b>	<b>1.50</b>

### Program Scope and Functional Description

WECC's 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
- Finance and Accounting

These functions are necessary for the existence and operation of the organization and support the performance of WECC's statutory activities. This area includes Board fees and expenses, executive leadership and communications, as well as administrative support for WECC staff, committees, members, and management; logistics support of the Salt Lake City office and meeting facilities; and indirect costs such as Office Rent that benefits multiple functional areas.

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

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

### 2016 Key Assumptions

- WECC will eliminate one position in General and Administrative in 2016.
- Transfer two positions from Compliance to General and Administrative in 2016.
- Reclassify two positions in Information Technology from senior-level to entry-level positions.
- Transfer one position from General and Administrative to Human Resources and is reclassified from an entry-level to a senior-level position.
- Reclassify two accounting positions to higher-level positions to increase the capabilities of the Finance and Accounting Department.

- Replace personal computer equipment on a four-year refresh cycle, refresh servers are every five years, and replace network equipment every seven-to-10 years.
- Implement a cloud-hosted expense reporting system.
- Maintain the scope of its current operations.

### **2016 Goals and Deliverables**

- Continue to enhance stakeholder relations program.
- Provide executive leadership and strategic guidance for the activities undertaken by WECC.
- Continue to enhance the Business Services group to drive efficiencies and effective services throughout WECC.
- Provide efficient, cost-effective legal support to the WECC Board, committees and staff through a combination of in-house and outside resources.
- Advise WECC departments on specified legal matters and general matters relating to WECC business.
- Continue to provide increased data support, analysis and communication. Create centralized databases, automated processes, and tools to organize a growing volume of electronic data that will be in high demand.
- Continue to enhance the recruiting program that targets power engineering and cyber security programs to increase visibility of WECC and broaden the applicant pool for hard-to-fill positions to increase bench strength for key roles within Compliance and in Operations and Planning.
- Continue to build strong network relationships with area universities to promote WECC as a viable employer in the community.
- Enhance the scope of succession planning, employee development and training, which are vital to ensuring that WECC maintains a skilled, qualified workforce.
- Manage all employee benefits to deliver an attractive benefit package to employees, and to attract potential employees, while managing overall costs to the organization.
- Identify training needs that develop and deliver programs to enhance employee development.
- Identify and implement efficiencies in financial processes.
- Provide improved reporting and financial analysis to WECC managers, the Finance and Audit Committee, and the WECC Board.

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

#### **Technical Committees and Member Forums**

##### **Personnel Expenses**

- No significant changes.



**Meeting Expenses**

- Meeting expenses decrease by \$104,000 primarily due to all WECC Board meetings being held in Salt Lake City.

**Operating Expenses**

- Operating expenses increase by \$325,000 due to board director search fees and an increase in board meeting compensation.

**Fixed Assets**

- No significant changes.

**General and Administrative****Personnel Expenses**

- Personnel expenses increase by \$714,000 primarily due to a three-percent merit increase and market adjustments to compensation as a result of an HRCC-directed study and refinements in the labor float rate. One position (1 FTE) was reclassified from Compliance to General and Administrative, 0.5 FTE was reallocated from the Training Program to the General and Administrative program. An Administrative Assistant position (1 FTE) was reclassified to an HR Generalist position and transferred to Human Resources.

**Meeting Expenses**

- No significant changes.

**Operating Expenses**

- Office rent and maintenance decrease by \$44,000 due to the alignment of the budget with the straight-line rent expense. A decrease of \$172,000 primarily relates to the reclassification of webCDMS from General and Administrative to Compliance.

**Fixed Assets**

- No significant changes.

**Legal and Regulatory****Personnel Expenses**

- Personnel Expenses increase by \$103,000 primarily due to the refinement of the labor float rate and a three-percent merit increase.

**Meeting Expenses**

- No significant changes.

**Operating Expenses**

- No significant changes.

**Fixed Assets**

- No significant changes.

**Information Technology****Personnel Expenses**

- Personnel Expenses decrease by \$63,000 primarily due to the refinement of the labor float rate and the reclassification of one position to a lower level.

**Meeting Expenses**

- No significant changes.

**Operating Expenses**

- No significant changes.

**Fixed Assets**

- Fixed Assets decrease by a net of \$46,000 due to the completion of the new WECC website.

**Human Resources****Personnel Expenses**

- Personnel Expenses increase by \$153,000 primarily due to the addition of an HR Generalist position (1 FTE) transferred from the General and Administrative Program as well as the refinement of the labor float rate.

**Meeting Expenses**

- No significant changes.

**Operating Expenses**

- No significant changes.

**Fixed Assets**

- No significant changes.

**Finance and Accounting****Personnel Expenses**

- Personnel Expenses increase by \$81,000 primarily due to the refinement of the labor float percentage and a three-percent merit increase.

**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 2015 and 2016 budgets.

## Corporate Services

Funding sources and related expenses for the Corporate Services section of the 2016 Business Plan are shown in the table below.

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
CORPORATE SERVICES					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
<b>Total WECC Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Membership Dues	-	-	-	-	-
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 4,029,757	\$ 4,029,757	\$ -	\$ 4,881,019	\$ 851,262
Payroll Taxes	263,880	263,880	-	297,980	34,100
Benefits	954,660	954,660	-	969,340	14,680
Retirement Costs	332,598	332,598	-	421,229	88,631
<b>Total Personnel Expenses</b>	<b>\$ 5,580,895</b>	<b>\$ 5,580,895</b>	<b>\$ -</b>	<b>\$ 6,569,568</b>	<b>\$ 988,673</b>
<b>Meeting Expenses</b>					
Meetings	\$ 179,605	\$ 179,605	\$ -	\$ 114,898	\$ (64,707)
Travel	302,350	302,350	-	231,147	(71,203)
Conference Calls	20,710	20,710	-	16,839	(3,871)
<b>Total Meeting Expenses</b>	<b>\$ 502,665</b>	<b>\$ 502,665</b>	<b>\$ -</b>	<b>\$ 362,884</b>	<b>\$ (139,781)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 231,300	\$ 231,300	\$ -	\$ 407,000	\$ 175,700
Office Rent	937,860	937,860	-	891,988	(45,872)
Office Costs	1,028,719	1,028,719	-	868,328	(160,391)
Professional Services	988,350	988,350	-	1,051,975	63,625
Miscellaneous	-	-	-	-	-
Depreciation	335,000	335,000	-	323,000	(12,000)
<b>Total Operating Expenses</b>	<b>\$ 3,521,229</b>	<b>\$ 3,521,229</b>	<b>\$ -</b>	<b>\$ 3,542,291</b>	<b>\$ 21,062</b>
<b>Total Direct Expenses</b>	<b>\$ 9,604,789</b>	<b>\$ 9,604,789</b>	<b>\$ -</b>	<b>\$ 10,474,743</b>	<b>\$ 869,954</b>
<b>Indirect Expenses</b>	<b>\$ (9,604,789)</b>	<b>\$ (9,604,789)</b>	<b>\$ -</b>	<b>\$ (10,474,743)</b>	<b>\$ (869,954)</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 Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fixed Assets</b>					
Depreciation	(335,000)	(335,000)	-	(323,000)	12,000
Computer & Software CapEx	-	-	-	55,000	55,000
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	30,000	30,000
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ 335,000	\$ 335,000	\$ -	\$ 238,000	\$ (97,000)
<b>Incr(Dec) in Fixed 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	44.9	44.9	-	46.4	1.5
HC	45.0	45.0	-	46.0	1.0

## Section B Supplemental Financial Information

### *2016 Business Plan and Budget*

## Section B — Supplemental Financial Information

### Reserve Balance

**Table B-1**

Working Capital Reserve Analysis 2015-2016	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2014	\$ 3,014,942
Plus: 2015 WECC Funding (from Load-Serving Entities (LSE) or designees)	25,175,135
Plus: 2015 Other funding sources	1,124,900
Less: 2015 Projected expenses & capital expenditures	(26,300,035)
<b>Projected Working Capital Reserve (Deficit), December 31, 2015</b>	<b><u>\$ 3,014,942</u></b>
Desired Working Capital Reserve, December 31, 2016	<sup>2</sup> \$ 3,642,320
Less: Projected Working Capital Reserve, December 31, 2015	(3,014,942)
<b>Increase(decrease) in assessments to achieve desired Working Capital Reserve</b>	<b><u>\$ 627,378</u></b>
2016 Expenses and Capital Expenditures	\$ 27,384,957
Less: Penalty Sanctions <sup>1</sup>	(1,766,700)
Less: Other Funding Sources	(1,213,500)
Adjustment to achieve desired Working Capital Reserve	627,378
<b>2016 WECC Assessment</b>	<b><u>\$ 25,032,135</u></b>

1 – Represents collections from July 1, 2014 through June 30, 2015. See page 39 for full disclosure.

2 – On June XX, 2015, the WECC Board of Directors approved this reserve level.

WECC's Board has approved a Working Capital Reserve balance equal to one-to-two months of Personnel and Operating Expenses.

### Breakdown by Statement of Activity Sections

The following detailed schedules are in support of the Statutory Statement of Activities and Capital Expenditures on page 11

#### 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 prior to June 30, 2015 will be used to offset assessments in the 2016 WECC Budget.

All penalty monies received on or prior to June 30, 2015 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, Education, and Operator Certification; 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.

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Penalty Sanctions

Table B-2

Penalty Sanctions Received on or Prior to June 30, 2015					
Date Received	Amount Received	Date Received	Amount Received	Date Received	Amount Received
7/2/2014	155,000	3/5/2015	\$ 60,000		
7/21/2014	98,500	3/27/2015	16,000		
7/25/2014	97,500	4/2/2015	13,200		
8/12/2014	12,000	4/21/2015	30,000		
8/18/2014	10,000				
8/21/2014	109,000				
9/11/2014	20,000				
9/15/2014	24,000				
9/18/2014	20,000				
9/18/2014	35,000				
9/29/2014	180,000				
10/20/2014	40,000				
10/20/2014	50,000				
11/4/2014	22,000				
11/12/2014	12,500				
12/2/2014	40,000				
12/2/2014	25,000				
1/14/2015	60,000				
1/27/2015	94,500				
2/6/2015	5,000				
2/12/2015	65,000				
2/12/2015	7,000				
2/18/2015	150,000				
2/20/2015	103,500				
2/20/2015	12,000				
2/25/2015	15,000				
3/3/2015	65,000				
3/5/2015	120,000				
			<b>Total Penalties Received</b>	\$	1,766,700
			<b>Net Penalties to Offset Assessments</b>	\$	<u>1,766,700</u>

## Supplemental Funding

Table B-3

Outside Funding Breakdown By Program (Excluding WECC Assessments & Penalty Sanctions)	Budget 2015	Projection 2015	Budget 2016	Variance 2016 Budget v 2015 Budget
<b>Reliability Standards</b>				
Interest	\$ 2,981	\$ 2,981	\$ 3,571	\$ 590
Miscellaneous	-	-	-	-
<b>Total</b>	\$ 2,981	\$ 2,981	\$ 3,571	\$ 590
<b>Compliance Monitoring, Enforcement &amp; Org. Registration</b>				
Workshops	\$ -	\$ -	\$ 3,600	\$ 3,600
Interest	39,865	39,865	48,204	8,339
Miscellaneous	-	-	-	-
<b>Total</b>	\$ 39,865	\$ 39,865	\$ 51,804	\$ 11,939
<b>Reliability Assessment and Performance Analysis</b>				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Interest	22,950	22,950	29,041	6,091
Miscellaneous	-	-	-	-
<b>Total</b>	\$ 22,950	\$ 22,950	\$ 29,041	\$ 6,091
<b>Training and Education</b>				
Workshops	\$ 1,055,900	\$ 1,055,900	\$ 1,125,900	\$ 70,000
Interest	2,310	2,310	2,321	11
Miscellaneous	-	-	-	-
<b>Total</b>	\$ 1,058,210	\$ 1,058,210	\$ 1,128,221	\$ 70,011
<b>Situation Awareness and Infrastructure Security</b>				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Interest	894	894	863	(31)
Miscellaneous	-	-	-	-
<b>Total</b>	\$ 894	\$ 894	\$ 863	\$ (31)
<b>Corporate Services</b>				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
<b>Total</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Outside Funding</b>	\$ 1,124,900	\$ 1,124,900	\$ 1,213,500	\$ 88,600

**Explanation of Significant Variances – 2016 Budget versus 2015 Budget**

WECC anticipates its investments will earn interest of approximately \$84,000 in 2016. This revenue is allocated to the Statutory and Non-Statutory Programs based on FTEs.

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

- An increase of \$3,600 in training revenue is related to Organization Registration and Certification training meetings.

**Training and Education**

- Workshop revenue decreases by \$70,000 primarily due to a reduction from three to two Compliance User Group (CUG) meetings.

**Situation Awareness and Infrastructure Security**

- No significant changes.

**Corporate Services**

- Not applicable.



## Personnel Expenses

Table B-4

Personnel Expenses	Budget		Projection		Variance	
	2015	2015	2016	2016 Budget v 2015 Budget	Variance %	
<b>Salaries</b>						
Salaries	\$ 13,095,525	\$ 13,095,525	\$ 14,552,825	\$ 1,457,300	11.1%	
Employment Agency Fees	-	-	-	-		
Temporary Office Services	-	-	-	-		
<b>Total Salaries</b>	<b>\$ 13,095,525</b>	<b>\$ 13,095,525</b>	<b>\$ 14,552,825</b>	<b>\$ 1,457,300</b>	<b>11.1%</b>	
<b>Total Payroll Taxes</b>	<b>\$ 960,685</b>	<b>\$ 960,685</b>	<b>\$ 1,047,091</b>	<b>\$ 86,406</b>	<b>9.0%</b>	
<b>Benefits</b>						
Workers Compensation	\$ 19,000	\$ 19,000	\$ 15,000	\$ (4,000)	-21.1%	
Medical Insurance	1,658,341	1,658,341	1,664,684	6,343	0.4%	
Life-LTD-STD Insurance	74,911	74,911	83,188	8,277	11.0%	
Education	286,878	286,878	257,381	(29,497)	-10.3%	
Relocation	50,000	50,000	40,000	(10,000)	-20.0%	
Other	11,182	11,182	14,355	3,173	28.4%	
<b>Total Benefits</b>	<b>\$ 2,100,312</b>	<b>\$ 2,100,312</b>	<b>\$ 2,074,608</b>	<b>\$ (25,704)</b>	<b>-1.2%</b>	
<b>Retirement</b>						
Discretionary 401k Contribution	\$ 1,107,028	\$ 1,107,028	\$ 1,229,075	\$ 122,047	11.0%	
Retirement Administration Fees	15,000	15,000	30,000	15,000	100.0%	
<b>Total Retirement</b>	<b>\$ 1,122,028</b>	<b>\$ 1,122,028</b>	<b>\$ 1,259,075</b>	<b>\$ 137,047</b>	<b>12.2%</b>	
<b>Total Personnel Costs</b>	<b>\$ 17,278,550</b>	<b>\$ 17,278,550</b>	<b>\$ 18,933,599</b>	<b>\$ 1,655,049</b>	<b>9.6%</b>	
<b>FTEs</b>	<b>137.5</b>	<b>137.5</b>	<b>140.5</b>	<b>3.0</b>	<b>2.2%</b>	
<b>Cost per FTE</b>						
Salaries	\$ 95,240	\$ 95,240	\$ 103,579	\$ 8,339	8.8%	
Payroll Taxes	6,987	6,987	7,453	466	6.7%	
Benefits	15,275	15,275	14,766	(509)	-3.3%	
Retirement	8,160	8,160	8,961	801	9.8%	
<b>Total Cost per FTE</b>	<b>\$ 125,662</b>	<b>\$ 125,662</b>	<b>\$ 134,759</b>	<b>\$ 9,097</b>	<b>7.2%</b>	

## Explanation of Significant Variances – 2016 Budget versus 2015 Budget

## Salaries

- Salaries increase by a net \$1.46 million primarily due to the refinement of WECC's labor float percentage, a three-percent merit increase, market adjustments to compensation as a result of an HRCC-directed study, and the net addition of 3.0 FTEs.

## Payroll Taxes

- Payroll Taxes increase by \$86,000 due to the increase in Salaries.

## Benefits

- Workers Compensation decreases by \$4,000 based on estimated premiums.
- Medical Insurance increases by \$6,000 to reflect a more accurate estimate of actual employee enrollment.
- Life, Long-Term Disability, and Short-Term Disability Insurance increases by \$8,000 due to the refinement of WECC's labor float percentage as well as the net addition of 3.0 FTEs.
- Education decreases by \$29,000 to reflect a more accurate estimate of actual employee usage of the tuition reimbursement program.

- Relocation decreases by \$10,000 to reflect estimated relocation offers in 2016.
- Other (benefits) increases by \$3,000 to reflect higher participation in WECC's employee wellness program.

**Retirement**

- Contributions to 401(k) plans increase by \$122,000 due to the refinement of WECC's labor float percentage, a three-percent merit increase, and the net addition of 3.0 FTEs.
- Retirement Administration Fees increase by \$15,000 as a result of switching to a new 401(k) plan administrator.

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## Consultants and Contracts

Table B-5

Consultants	Budget 2015	Projection 2015	Budget 2016	Variance	
				2016 Budget v 2015 Budget	Variance %
<b>Consultants</b>					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance and Organization Registration and Certification	35,640	35,640	-	(35,640)	-100.0%
Reliability Assessment and Performance Analysis	1,332,000	1,332,000	2,324,000	992,000	74.5%
Training and Education	92,000	92,000	68,000	(24,000)	-26.1%
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	226,500	226,500	377,000	150,500	66.4%
<b>Consultants Total</b>	<b>\$ 1,686,140</b>	<b>\$ 1,686,140</b>	<b>\$ 2,769,000</b>	<b>\$ 1,082,860</b>	<b>64.2%</b>

Contracts	Budget 2015	Projection 2015	Budget 2016	Variance	
				2016 Budget v 2015 Budget	Variance %
<b>Contracts</b>					
Reliability Standards	\$ -	\$ -	\$ -	\$ -	
Compliance and Organization Registration and Certification	432,280	432,280	472,170	39,890	9.2%
Reliability Assessment and Performance Analysis	-	-	-	-	
Training and Education	-	-	-	-	
Situation Awareness and Infrastructure Security	-	-	-	-	
Corporate Services	4,800	4,800	30,000	25,200	525.0%
<b>Contracts Total</b>	<b>\$ 437,080</b>	<b>\$ 437,080</b>	<b>\$ 502,170</b>	<b>\$ 65,090</b>	<b>14.9%</b>
<b>Total Consulting and Contracts</b>	<b>\$ 2,123,220</b>	<b>\$ 2,123,220</b>	<b>\$ 3,271,170</b>	<b>\$ 1,147,950</b>	<b>54.1%</b>

## Explanation of Significant Variances – 2016 Budget versus 2015 Budget

## Consultants

- Compliance and Organization Registration and Certification decreases by \$36,000 primarily due shifting work from consultants to Corporate Services staff.
- RAPA increases by a net \$992,000 due to the following:
  - A decrease of \$167,000 is due to transitioning work from consultants to in-house staff in Operations Performance Analysis.
  - An increase of \$111,000 in Transmission Expansion Planning for transmission scenario studies.
  - An increase of \$898,000 for RAS modeling.
  - An increase of \$150,000 for composite load modeling.
- Corporate Services decreases by a net of \$110,000 due to the following:
  - Training and Education consultants decrease by \$24,000 due to a decrease in use of consultants to conduct training sessions.
  - Technical Committee and Member Forums consultants decrease by \$80,000 primarily due to the reduction of Board Director Search fees.
  - Information Technology consulting decreases by \$15,000 due to a reduction in information management analytics consulting.
  - Human Resources decreases due to a reduction in expenses for a compensation study.

**Contracts**

- Compliance and Organization Registration and Certification contracts increase by \$40,000 due to shift of costs from Corporate Services to Compliance and Organization Registration and Certification for Compliance software.
- Corporate Services contracts increase by \$25,000 due to contractual labor for enhancement of features for WECC's public website including interfacing features and application migration development within Information Technology.

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## Office Rent

Table B-6

Office Rent	Budget 2015	Projection 2015	Budget 2016	Variance 2016 Budget v 2015 Budget	Variance %
Office Rent	\$ 969,480	\$ 969,480	\$ 926,748	(42,732)	-4.4%
Utilities	-	-	-	-	0.0%
Maintenance	17,656	17,656	10,240	(7,416)	-42.0%
Security	-	-	-	-	0.0%
<b>Total Office Rent</b>	<b>\$ 987,136</b>	<b>\$ 987,136</b>	<b>\$ 936,988</b>	<b>\$ (50,148)</b>	<b>-5.1%</b>

## Explanation of Significant Variances – 2016 Budget versus 2015 Budget

- Office Rent decreases by \$43,000 to align the budget with the straight-lined expense.

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## Office Costs

Table B-7

Office Costs	Budget		Projection		Variance				
	2015	2015	2015	2016	2016 Budget v 2015 Budget	Variance %			
Telephone	\$	96,747	\$	96,747	\$	(18,107)	-18.7%		
Internet		117,618		117,618		(48,782)	-41.5%		
Office Supplies		104,859		104,859		(9,938)	-9.5%		
Computer Supplies and Maintenance		908,990		908,990		1,017,268	108,278	11.9%	
Publications & Subscriptions		17,535		17,535		38,170	20,635	117.7%	
Dues and Fees		159,314		159,314		178,258	18,944	11.9%	
Postage		5,699		5,699		5,376	(323)	-5.7%	
Express Shipping		11,304		11,304		6,430	(4,874)	-43.1%	
Copying		67,545		67,545		39,850	(27,695)	-41.0%	
Bank Charges		74,000		74,000		66,000	(8,000)	-10.8%	
Taxes		64,000		64,000		61,675	(2,325)	-3.6%	
<b>Total Office Costs</b>	<b>\$</b>	<b>1,627,611</b>	<b>\$</b>	<b>1,627,611</b>	<b>\$</b>	<b>1,655,424</b>	<b>\$</b>	<b>27,813</b>	<b>1.7%</b>

## Explanation of Significant Variances – 2016 Budget versus 2015 Budget

- Telephone expenses decrease by \$18,000 to more accurately reflect cellular phone expenses.
- Internet expenses decrease by a net \$49,000 to more accurately reflect actual expenses.
- Computer Supplies and Maintenance increases by a net of \$108,000 primarily due to an increase of \$50,000 for workspace reconfiguration and improvements, and an increase of \$65,000 for Microsoft Office 360 licensing renewal, which includes exchange cloud migration.
- Publications and Subscriptions increase by \$20,000 primarily due to the subscription fee for compensation data.
- Dues and Fees increase by a net of \$19,000 primarily due to an increase in recruiting expenses for WECC's new annual LinkedIn membership and accounting reporting enhancements.
- Copying decreases by \$28,000 to more accurately reflect estimated expenditures.

## Professional Services

Table B-8

Professional Services	Budget		Projection		Variance				
	2015	2015	2016	2016	2016 Budget v 2015 Budget	Variance %			
Board Director fees	\$	749,250	\$	749,250	\$	824,250	\$	75,000	10.0%
Outside Legal		30,600		30,600		31,600		1,000	3.3%
Accounting & Auditing Fees		88,500		88,500		86,125		(2,375)	-2.7%
Insurance Commercial		120,000		120,000		110,000		(10,000)	-8.3%
<b>Total Services</b>	<b>\$</b>	<b>988,350</b>	<b>\$</b>	<b>988,350</b>	<b>\$</b>	<b>1,051,975</b>	<b>\$</b>	<b>63,625</b>	<b>6.4%</b>

## Explanation of Significant Variances – 2016 Budget versus 2015 Budget

- Board of Director fees increase by \$75,000 due to an increase in anticipated compensable meetings.
- Insurance Commercial decreases \$10,000 to more accurately reflect actual premium costs.

## Other Non-Operating

Table B-9

Other Non-Operating Expenses	Budget 2015	Projection 2015	Budget 2016	Variance 2016 Budget v 2015 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 – 2016 Budget versus 2015 Budget

- Not applicable.

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## Section C Non-Statutory Activities

### *2016 Business Plan and Budget*

**Section C — 2016 Budget - Non-Statutory Activities**

<b>Western Renewable Energy Generation Information System</b> (in whole dollars)			
	2015 Budget	2016 Budget	Increase (Decrease)
Total FTEs	5.0	6.0	1.0
Direct Expenses	1,177,192	1,182,420	5,228
Indirect Expenses	492,049	627,857	135,808
Inc(Dec) in Fixed Assets	(8,607)	(14,266)	(5,659)
Total Funding Requirement	(29,759)	106,239	135,998

**Western Renewable Energy Generation Information System (WREGIS)**

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 over a period greater than three years. WREGIS' governance was integrated into WECC on March 31, 2012 following the expiration of WECC's contract that had previously provided for backstop funding from the CEC. WREGIS is governed by a WECC member committee consisting of representatives from the WECC membership and various WREGIS stakeholder groups.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees.

WREGIS consists of two parts: the information system software and the administrative operations. The WREGIS staff oversees the software contractor and performs all of the administrative tasks required to operate the program including: registering account holders and generation units; training WREGIS users; and managing the budgeting, billing, and financial reporting.

**Major 2016 Assumptions and Cost Impacts**

WREGIS is funded entirely by user fees and is not subsidized by Section 215 funding.

- User fees are based on size (generation capacity) and user type.
  - Approximately 25 percent of revenues are based on size.
  - Approximately 75 percent of revenues are based on usage levels, which can depend on factors such as weather (wind and solar generation levels) and state regulatory policies (retirement, transfers, etc.).

- Revenues can vary greatly from year to year: therefore, WECC holds large WREGIS reserves 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.

### **2016 Primary Goals and Objectives**

- Implement the WREGIS program as required by the participating states, provinces and voluntary programs.
- Register program participants, whether mandatory or voluntary.
- Refine the WREGIS software to ensure optimum performance in terms of both efficiency and ease of use for account holders.
- Keep abreast of possible needs to increase WREGIS's functionality.

### **Funding Sources and Requirements — Explanation of Increase (Decrease)**

#### **Funding Sources (Other than ERO Assessments)**

- WREGIS account holders pay an initial registration fee and annual renewal fees. Amounts vary by the size and category of the account holder.
- Volumetric-based fees are assessed when RECs are traded, retired, reserved, or transferred.
- Nominal fees are charged for users who attend training.

#### **Personnel Expenses**

- Personnel Expenses increase a net of \$62,000 mainly due to the addition of one position.

#### **Travel Expenses**

- Travel Expenses decrease by a net \$25,000 due to estimates of actual travel and meeting expenditure requirements in 2016.

#### **Operating Expenses**

- Office Costs decrease by \$22,000 primarily due to decreases in WREGIS software upgrade costs.

#### **Indirect Expenses**

- Indirect Expenses are allocated based on FTEs. WECC calculates a quarterly allocation for WREGIS's indirect costs, based on actual results.

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

- Not applicable

## 2015 Budget and Projection and 2016 Budget Comparisons

Statement of Activities, Fixed Assets Expenditures, and Change in Working Capital					
2015 Budget & Projection, and 2016 Budget					
NON-STATUTORY					
	2015 Budget	2015 Projection	Variance 2015 Projection v 2016 Budget Over(Under)	2016 Budget	Variance 2016 Budget v 2015 Budget Over(Under)
<b>Funding</b>					
<b>WECC Funding</b>					
WECC Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Penalty Sanctions	-	-	-	-	-
<b>Total WECC Funding</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Membership Dues	1,626,000	1,626,000	-	1,900,000	274,000
Federal Grants	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	4,875	4,875	-	2,250	(2,625)
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Funding (A)</b>	<b>\$ 1,630,875</b>	<b>\$ 1,630,875</b>	<b>\$ -</b>	<b>\$ 1,902,250</b>	<b>\$ 271,375</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries	\$ 358,476	\$ 358,476	\$ -	\$ 411,618	\$ 53,142
Payroll Taxes	29,669	29,669	-	34,402	4,733
Benefits	62,675	62,675	-	63,249	574
Retirement Costs	31,172	31,172	-	34,870	3,698
<b>Total Personnel Expenses</b>	<b>\$ 481,992</b>	<b>\$ 481,992</b>	<b>\$ -</b>	<b>\$ 544,139</b>	<b>\$ 62,147</b>
<b>Meeting Expenses</b>					
Meetings	\$ 3,975	\$ 3,975	\$ -	\$ 4,200	\$ 225
Travel	52,000	52,000	-	27,575	(24,425)
Conference Calls	1,200	1,200	-	850	(350)
<b>Total Meeting Expenses</b>	<b>\$ 57,175</b>	<b>\$ 57,175</b>	<b>\$ -</b>	<b>\$ 32,625</b>	<b>\$ (24,550)</b>
<b>Operating Expenses</b>					
Consultants & Contracts	\$ 2,400	\$ 2,400	\$ -	\$ 2,400	\$ -
Office Rent	-	-	-	-	-
Office Costs	616,125	616,125	-	594,256	(21,869)
Professional Services	19,500	19,500	-	9,000	(10,500)
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 638,025</b>	<b>\$ 638,025</b>	<b>\$ -</b>	<b>\$ 605,656</b>	<b>\$ (32,369)</b>
<b>Total Direct Expenses</b>	<b>\$ 1,177,192</b>	<b>\$ 1,177,192</b>	<b>\$ -</b>	<b>\$ 1,182,420</b>	<b>\$ 5,228</b>
<b>Indirect Expenses</b>	<b>\$ 492,049</b>	<b>\$ 492,049</b>	<b>\$ -</b>	<b>\$ 627,857</b>	<b>\$ 135,808</b>
<b>Other Non-Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses (B)</b>	<b>\$ 1,669,241</b>	<b>\$ 1,669,241</b>	<b>\$ -</b>	<b>\$ 1,810,277</b>	<b>\$ 141,036</b>
<b>Change in Assets</b>	<b>\$ (38,366)</b>	<b>\$ (38,366)</b>	<b>\$ -</b>	<b>\$ 91,973</b>	<b>\$ 130,339</b>
<b>Fixed Assets</b>					
Depreciation	-	-	-	-	-
Computer & Software CapEx	-	-	-	-	-
Furniture & Fixtures CapEx	-	-	-	-	-
Equipment CapEx	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-
Allocation of Fixed Assets	\$ (8,607)	\$ (8,607)	\$ -	\$ (14,266)	\$ (5,659)
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (8,607)</b>	<b>\$ (8,607)</b>	<b>\$ -</b>	<b>\$ (14,266)</b>	<b>\$ (5,659)</b>
<b>TOTAL BUDGET (=B+C)</b>	<b>1,660,634</b>	<b>1,660,634</b>	<b>-</b>	<b>1,796,011</b>	<b>135,377</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)</b>	<b>\$ 244,820</b>	<b>\$ (29,759)</b>	<b>\$ -</b>	<b>\$ 106,239</b>	<b>\$ 135,998</b>
FTEs	5.0	5.0	-	6.0	1.0
HC	5.0	5.0	-	6.0	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.

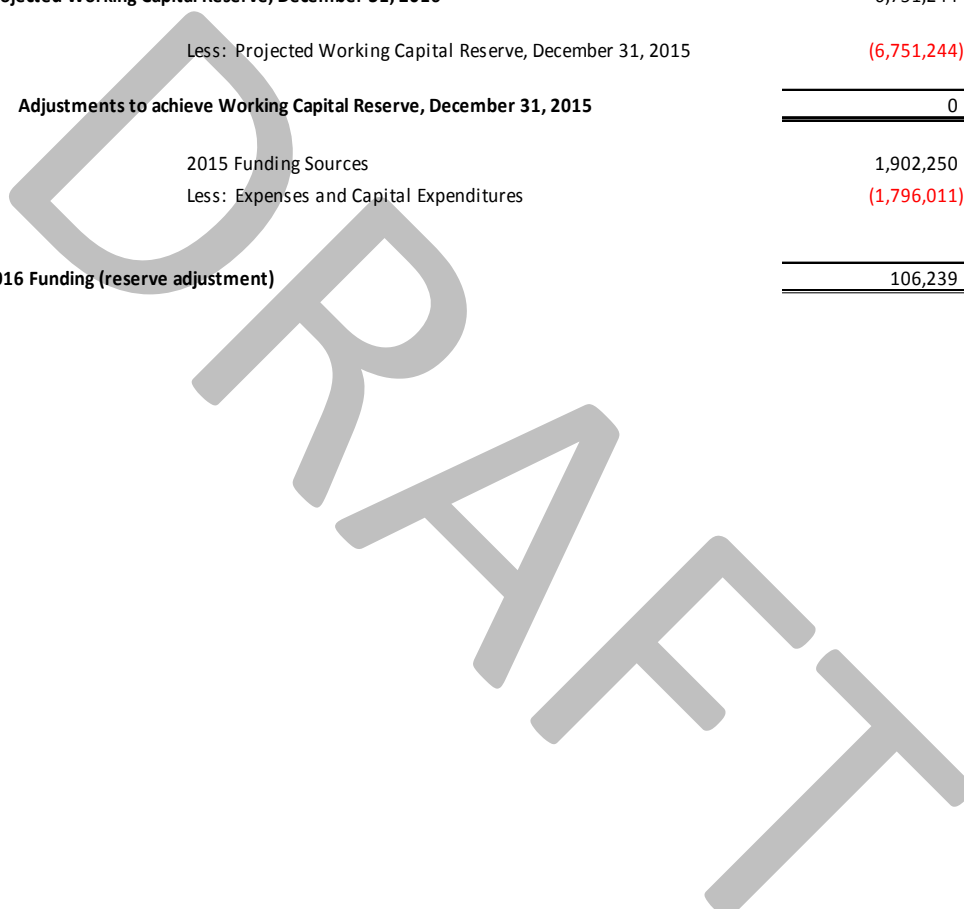
Total FTEs by Program Area	Budget 2015	Projection 2015	Direct FTEs 2016 Budget	Shared FTEs <sup>1</sup> 2016 Budget	Total FTEs 2016 Budget	Change from 2015 Budget
<b>NON-STATUTORY</b>						
<b>Operational Programs</b>						
Total FTEs Operational Programs	0.0	0.0	0.0	0.0	0.0	0.0
<b>Administrative Programs</b>						
WREGIS	5.0	5.0	6.0	0.0	6.0	1.0
Total FTEs Administrative Programs	5.0	5.0	6.0	0.0	6.0	1.0
<b>Total FTEs</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>0.0</b>	<b>6.0</b>	<b>1.0</b>

<sup>1</sup>A shared FTE is defined as an employee who performs both Statutory and Non-Statutory functions.

The addition of one FTE for a Program Analyst position.

**Reserve Analysis — 2015–2016**

Working Capital Reserve Analysis	
NON-STATUTORY	
WREGIS Reserves	
<b>Beginning Working Capital Reserve (Deficit), December 31, 2014</b>	5,120,369
Plus: 2015 WREGIS Funding	1,630,875
Plus: 2015 Other funding sources	
<b>Projected Working Capital Reserve (Deficit), December 31, 2015</b>	<u><u><b>6,751,244</b></u></u>
<b>Projected Working Capital Reserve, December 31, 2016</b>	6,751,244
Less: Projected Working Capital Reserve, December 31, 2015	<span style="color: red;">(6,751,244)</span>
<b>Adjustments to achieve Working Capital Reserve, December 31, 2015</b>	<u><u><b>0</b></u></u>
2015 Funding Sources	1,902,250
Less: Expenses and Capital Expenditures	<span style="color: red;">(1,796,011)</span>
<b>2016 Funding (reserve adjustment)</b>	<u><u><b>106,239</b></u></u>



# Section D Additional Financial Information

## *2016 Business Plan and Budget*

## Section D – Additional Financial Information

### 2016 Consolidated Statement of Activities by Program, Statutory, and Non-Statutory

Statement of Activities and Capital Expenditures by Program 2016 Budget	Total	Statutory Total	Non-Statutory Total	Functions in Delegation Agreement							Non-Statutory Functions		
				Statutory Total	Reliability Standards (Section 300)	Compliance and Organization Registration and Certification (Section 400 & 500)	Reliability Assessment and Performance Analysis (Section 800)	Training and Education (Section 900)	Situation Awareness and Infrastructure Security (Section 1000)	Corporate Services	Non-Statutory Total	WREGIS	
<b>Funding</b>													
<b>WECC Funding</b>													
WECC Assessments	25,032,135	25,032,135	-	25,032,135	1,035,484	13,062,213	10,396,451	316,899	221,089	-	-	-	-
Penalty Sanctions	1,766,700	1,766,700	-	1,766,700	75,099	1,013,834	610,804	48,814	18,149	-	-	-	-
<b>Total WECC Funding</b>	<b>26,798,835</b>	<b>26,798,835</b>	<b>-</b>	<b>26,798,835</b>	<b>1,110,583</b>	<b>14,076,047</b>	<b>11,007,255</b>	<b>365,713</b>	<b>239,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Non-statutory Funding	1,900,000	-	1,900,000	-	-	-	-	-	-	-	-	1,900,000	1,900,000
Federal Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-	-	-	-	-	-	-
Workshops	1,131,750	1,129,500	2,250	1,129,500	-	3,600	-	1,125,900	-	-	2,250	2,250	
Interest	84,000	84,000	-	84,000	3,571	48,204	29,041	2,321	863	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Funding (A)</b>	<b>29,914,585</b>	<b>28,012,335</b>	<b>1,902,250</b>	<b>28,012,335</b>	<b>1,114,154</b>	<b>14,127,851</b>	<b>11,036,296</b>	<b>1,493,934</b>	<b>240,101</b>	<b>-</b>	<b>-</b>	<b>1,902,250</b>	<b>1,902,250</b>
<b>Expenses</b>													
<b>Personnel Expenses</b>													
Salaries	14,964,443	14,552,825	411,618	14,552,825	518,048	5,288,714	3,446,796	310,800	107,448	4,881,019	411,618	411,618	
Payroll Taxes	1,081,492	1,047,090	34,402	1,047,090	37,302	411,811	268,330	22,861	8,806	297,980	34,402	34,402	
Benefits	2,137,857	2,074,608	63,249	2,074,608	44,778	648,318	373,565	28,113	10,494	969,340	63,249	63,249	
Retirement Costs	1,293,944	1,259,074	34,870	1,259,074	43,757	451,633	307,085	26,252	9,118	421,229	34,870	34,870	
<b>Total Personnel Expenses</b>	<b>19,477,736</b>	<b>18,933,597</b>	<b>544,139</b>	<b>18,933,597</b>	<b>643,885</b>	<b>6,800,476</b>	<b>4,395,776</b>	<b>388,026</b>	<b>135,866</b>	<b>6,569,568</b>	<b>544,139</b>	<b>544,139</b>	
<b>Meeting Expenses</b>													
Meetings	824,400	820,200	4,200	820,200	1,420	1,948	130,934	571,000	-	114,898	4,200	4,200	
Travel	1,200,946	1,173,371	27,575	1,173,371	26,925	696,704	209,375	9,220	-	231,147	27,575	27,575	
Conference Calls	71,673	70,823	850	70,823	2,565	13,339	32,100	5,980	-	16,839	850	850	
<b>Total Meeting Expenses</b>	<b>2,097,019</b>	<b>2,064,394</b>	<b>32,625</b>	<b>2,064,394</b>	<b>30,910</b>	<b>711,991</b>	<b>372,409</b>	<b>586,200</b>	<b>-</b>	<b>362,884</b>	<b>32,625</b>	<b>32,625</b>	
<b>Operating Expenses</b>													
Consultants & Contracts	3,273,570	3,271,170	2,400	3,271,170	-	472,170	2,324,000	68,000	-	407,000	2,400	2,400	
Office Rent	936,988	936,988	-	936,988	-	-	-	45,000	-	891,988	-	-	
Office Costs	2,249,680	1,655,424	594,256	1,655,424	5,345	304,481	369,910	107,360	-	868,328	594,256	594,256	
Professional Services	1,060,975	1,051,975	9,000	1,051,975	-	-	-	-	-	1,051,975	9,000	9,000	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation	650,000	650,000	-	650,000	-	22,000	305,000	-	-	323,000	-	-	
<b>Total Operating Expenses</b>	<b>8,171,213</b>	<b>7,565,557</b>	<b>605,656</b>	<b>7,565,557</b>	<b>5,345</b>	<b>798,651</b>	<b>2,998,910</b>	<b>220,360</b>	<b>-</b>	<b>3,542,291</b>	<b>605,656</b>	<b>605,656</b>	
<b>Total Direct Expenses</b>	<b>29,745,968</b>	<b>28,563,548</b>	<b>1,182,420</b>	<b>28,563,548</b>	<b>680,140</b>	<b>8,311,118</b>	<b>7,767,095</b>	<b>1,194,586</b>	<b>135,866</b>	<b>10,474,743</b>	<b>1,182,420</b>	<b>1,182,420</b>	
<b>Indirect Expenses</b>													
	(0)	(627,857)	627,857	(627,857)	418,571	5,650,711	3,404,379	272,071	101,155	(10,474,743)	627,857	627,857	
<b>Other Non-Operating Expenses</b>													
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses (B)</b>	<b>29,745,968</b>	<b>27,935,691</b>	<b>1,810,277</b>	<b>27,935,691</b>	<b>1,098,711</b>	<b>13,961,829</b>	<b>11,171,474</b>	<b>1,466,657</b>	<b>237,021</b>	<b>-</b>	<b>-</b>	<b>1,810,277</b>	<b>1,810,277</b>
<b>Change in Assets</b>	<b>168,617</b>	<b>76,644</b>	<b>91,973</b>	<b>76,644</b>	<b>15,443</b>	<b>166,022</b>	<b>(135,178)</b>	<b>27,277</b>	<b>3,080</b>	<b>-</b>	<b>-</b>	<b>91,973</b>	<b>91,973</b>
<b>Fixed Assets</b>													
Depreciation	(650,000)	(650,000)	-	(650,000)	-	(22,000)	(305,000)	-	-	(323,000)	-	-	
Computer & Software CapEx	55,000	55,000	-	55,000	-	-	-	-	-	55,000	-	-	
Furniture & Fixtures CapEx	-	-	-	-	-	-	-	-	-	-	-	-	
Equipment CapEx	30,000	30,000	-	30,000	-	-	-	-	-	30,000	-	-	
Leasehold Improvements	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of Fixed Assets	-	14,266	(14,266)	14,266	(9,510)	(128,392)	(77,352)	(6,182)	(2,298)	238,000	(14,266)	(14,266)	
<b>Inc(Dec) in Fixed Assets (C)</b>	<b>(565,000)</b>	<b>(550,734)</b>	<b>(14,266)</b>	<b>(550,734)</b>	<b>(9,510)</b>	<b>(150,392)</b>	<b>(382,352)</b>	<b>(6,182)</b>	<b>(2,298)</b>	<b>-</b>	<b>(14,266)</b>	<b>(14,266)</b>	
<b>TOTAL BUDGET (B+C)</b>	<b>29,180,968</b>	<b>27,384,957</b>	<b>1,796,011</b>	<b>27,384,957</b>	<b>1,089,201</b>	<b>13,811,437</b>	<b>10,789,122</b>	<b>1,460,475</b>	<b>234,723</b>	<b>-</b>	<b>-</b>	<b>1,796,011</b>	<b>1,796,011</b>
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>733,617</b>	<b>627,378</b>	<b>106,239</b>	<b>627,378</b>	<b>24,953</b>	<b>316,414</b>	<b>247,174</b>	<b>33,459</b>	<b>5,378</b>	<b>-</b>	<b>-</b>	<b>106,239</b>	<b>106,239</b>
<b>FTEs</b>	<b>146.5</b>	<b>140.5</b>	<b>6.0</b>	<b>140.5</b>	<b>4.0</b>	<b>54.0</b>	<b>32.5</b>	<b>2.6</b>	<b>1.0</b>	<b>46.4</b>	<b>6.0</b>	<b>6.0</b>	
<b>HC</b>	<b>147.0</b>	<b>141.0</b>	<b>6.0</b>	<b>141.0</b>	<b>4.0</b>	<b>54.0</b>	<b>33.0</b>	<b>3.0</b>	<b>1.0</b>	<b>46.0</b>	<b>6.0</b>	<b>6.0</b>	



Statement of Financial Position

Table to be inserted when finalized.

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## Appendix A: 2016 Budget &amp; Projected 2017 and 2018 Budgets

Statement of Activities and Capital Expenditures								
2016 Budget & Projected 2017 and 2018 Budgets								
Statutory								
	2016	2017	\$ Change	% Change	2018	\$ Change	% Change	
	Budget	Projection	16 v 17	16 v 17	Projection	17 v 18	17 v 18	
<b>Funding</b>								
<b>ERO Funding</b>								
WECC Assessments	\$ 25,032,135	\$ 25,245,135	\$ 213,000	0.9%	\$ 25,255,535	\$ 10,400	0.0%	
Penalty Sanctions	1,766,700	-	(1,766,700)	-100.0%	-	-		
<b>Total ERO Funding</b>	<b>\$ 26,798,835</b>	<b>\$ 25,245,135</b>	<b>\$ (1,553,700)</b>	<b>-5.8%</b>	<b>\$ 25,255,535</b>	<b>\$ 10,400</b>	<b>0.0%</b>	
Membership Dues	-	-	-		-	-		
Federal Grants	-	-	-		-	-		
Workshops	1,129,500	1,174,680	45,180	4.0%	1,233,414	58,734	5.0%	
Interest	84,000	84,000	-	0.0%	84,000	-	0.0%	
Miscellaneous	-	-	-		-	-		
<b>Total Funding (A)</b>	<b>\$ 28,012,335</b>	<b>\$ 26,503,815</b>	<b>\$ (1,508,520)</b>	<b>-5.4%</b>	<b>\$ 26,572,949</b>	<b>\$ 69,134</b>	<b>0.3%</b>	
<b>Expenses</b>								
<b>Personnel Expenses</b>								
Salaries	\$ 14,552,825	\$ 14,989,410	436,585	3.0%	\$ 15,439,092	449,682	3.0%	
Payroll Taxes	1,047,090	1,078,503	31,413	3.0%	1,110,858	32,355	3.0%	
Benefits	2,074,608	2,136,846	62,238	3.0%	2,200,952	64,105	3.0%	
Retirement Costs	1,259,074	1,296,846	37,772	3.0%	1,335,752	38,905	3.0%	
<b>Total Personnel Expenses</b>	<b>\$ 18,933,597</b>	<b>\$ 19,501,605</b>	<b>\$ 568,008</b>	<b>3.0%</b>	<b>\$ 20,086,653</b>	<b>\$ 585,048</b>	<b>3.0%</b>	
<b>Meeting Expenses</b>								
Meetings	\$ 820,200	\$ 853,008	32,808	4.0%	\$ 887,128	34,120	4.0%	
Travel	1,173,371	1,173,371	-	0.0%	1,173,371	-	0.0%	
Conference Calls	70,823	70,823	-	0.0%	70,823	-	0.0%	
<b>Total Meeting Expenses</b>	<b>\$ 2,064,394</b>	<b>\$ 2,097,202</b>	<b>\$ 32,808</b>	<b>1.6%</b>	<b>\$ 2,131,322</b>	<b>\$ 34,120</b>	<b>1.6%</b>	
<b>Operating Expenses</b>								
Consultants & Contracts	\$ 3,271,170	\$ 2,423,170	(848,000)	-25.9%	\$ 2,470,097	46,927	1.9%	
Office Rent	936,988	940,000	3,012	0.3%	990,000	50,000	5.3%	
Office Costs	1,655,424	1,705,424	50,000	3.0%	1,705,424	-	0.0%	
Professional Services	1,051,975	1,151,975	100,000	9.5%	1,151,975	-	0.0%	
Miscellaneous	-	-	-		-	-		
Depreciation	650,000	676,000	26,000	4.0%	-	(676,000)	-100.0%	
<b>Total Operating Expenses</b>	<b>\$ 7,565,557</b>	<b>\$ 6,896,569</b>	<b>\$ (668,988)</b>	<b>-8.8%</b>	<b>\$ 6,317,496</b>	<b>\$ (579,073)</b>	<b>-8.4%</b>	
<b>Total Direct Expenses</b>	<b>\$ 28,563,548</b>	<b>\$ 28,495,376</b>	<b>\$ (68,172)</b>	<b>-0.2%</b>	<b>\$ 28,535,471</b>	<b>\$ 40,095</b>	<b>0.1%</b>	
<b>Indirect Expenses</b>	<b>(627,857)</b>	<b>(627,857)</b>	<b>-</b>	<b>0.0%</b>	<b>(627,857)</b>	<b>-</b>	<b>0.0%</b>	
<b>Other Non-Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Expenses (B)</b>	<b>\$ 27,935,691</b>	<b>\$ 27,867,519</b>	<b>\$ (68,172)</b>	<b>-0.2%</b>	<b>\$ 27,907,614</b>	<b>\$ 40,095</b>	<b>0.1%</b>	
<b>Change in Assets</b>	<b>\$ 76,644</b>	<b>\$ (1,363,704)</b>	<b>\$ (1,440,348)</b>	<b>-1879.3%</b>	<b>\$ (1,334,665)</b>	<b>\$ 29,039</b>	<b>-2.1%</b>	
<b>Fixed Assets</b>								
Depreciation	\$ (650,000)	\$ (676,000)	\$ (26,000)	4.0%	\$ -	\$ 676,000	-100.0%	
Computer & Software CapEx	55,000	-	(55,000)	-100.0%	-	-		
Furniture & Fixtures CapEx	-	-	-		-	-		
Equipment CapEx	30,000	-	(30,000)	-100.0%	-	-		
Leasehold Improvements	-	-	-		-	-		
Allocation of Fixed Assets	14,266	-	(14,266)	-100.0%	-	-		
<b>Incr(Dec) in Fixed Assets (C)</b>	<b>\$ (550,734)</b>	<b>\$ (676,000)</b>	<b>\$ (125,266)</b>	<b>22.7%</b>	<b>\$ -</b>	<b>\$ 676,000</b>	<b>-100.0%</b>	
<b>TOTAL BUDGET (B+C)</b>	<b>\$ 27,384,957</b>	<b>\$ 27,191,519</b>	<b>\$ (193,438)</b>	<b>-0.7%</b>	<b>\$ 27,907,614</b>	<b>\$ 716,095</b>	<b>2.6%</b>	
<b>TOTAL CHANGE IN WORKING CAPITAL (A-B-C)</b>	<b>\$ 627,378</b>	<b>\$ (687,704)</b>	<b>\$ (1,315,082)</b>	<b>-100.0%</b>	<b>\$ (1,334,665)</b>	<b>\$ (646,961)</b>	<b>94.1%</b>	
FTEs	140.5	140.5	0.0	0.0%	140.5	-	0.0%	
HC	141.0	141.0	0.0	0.0%	141.0	-	0.0%	

**Appendix B: Adjustment to the Alberta Electric System Operator (AESO) 2015 Assessment**

Table to be inserted when finalized.

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