

NERC 2021 Business Plan and Budget (Second Draft) Comments of the Canadian Electricity Association

I. Introduction

The Canadian Electricity Association (“CEA”) appreciates this opportunity to provide comments on the second draft of NERC’s 2021 Business Plan and Budget (“Second Draft NERC Budget”).

As the voice of the electricity sector in Canada, CEA remains an advocate of NERC’s international standard-setting model. In line with CEA members’ support for this model, CEA offers these comments in the spirit of helping to ensure NERC’s success.

II. Comments

CEA appreciates NERC’s response to CEA’s comments on the first draft of the NERC Business Plan & Budget for 2021.¹

As noted in CEA’s comments on the first draft, NERC’s efforts to ensure a flat assessment and lower than projected budget increases are welcome, especially given the financial realities faced by the electricity sector due to the uncertain economic conditions resulting from the COVID-19 pandemic.²

CEA notes that the Second Draft NERC Budget is projecting a 2022 budget of \$87.0M (5.0% increase over 2021), and in in 2023, a budget projection of \$91.4M (5.0% increase over 2022).

CEA appreciates that the projection for 2022 is lower than previously projected.

Given these projected increases though, CEA reiterates the need for budget stabilization and a reduction of annual budget increases to ensure that NERC’s operations are better aligned with the regulatory and fiscal realities faced by electric utilities. This is likely even more important in the context that the financial impacts of COVID-19 may not be fully resolved in the short to medium term.

¹<https://www.nerc.com/gov/bot/FINANCE/2021BusinessPlanandBudget/Management%20Response%20to%20Comments%20on%20Draft%201.pdf>

²<https://www.nerc.com/gov/bot/FINANCE/2021BusinessPlanandBudget/CEA%20Comments%20on%20NERC%202021%20Business%20Plan%20and%20Budget%20First%20Draft.pdf>

In this context, CEA values NERC's commitments outlined in the Second Draft NERC Budget of prudently balancing fiscal concerns with the evolving risks to the BPS, and ensuring that its budgets for 2022 and 2023 reflect a focus on the highest risks to reliability and security. CEA additionally welcomes commitments by NERC to continually assess program areas and prioritize initiatives, and to effectively use reserves to manage assessment increases.³

CEA trusts that the concerns outlined in this letter will be given due and fair consideration.

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³<https://www.nerc.com/gov/bot/FINANCE/2021BusinessPlanandBudget/NERC%202021%20Business%20Plan%20and%20Budget%20-%20Draft%202.pdf>