

WIRAB Monthly Update

Eric Baran
WIRAB Staff

May 6, 2021

Outline

- **Introductions and Roll Call**
- **WECC Activities**
 - WECC's Proposed 2022 Business Plan and Budget
 - Draft WIRAB Advice – WECC's 2022 Business Plan and Budget
- **WIRAB:**
 - Upcoming Meetings





2022 Draft Stakeholder Budget Overview

May 6, 2021

Jillian Lessner, VP, CFAO
Steve Goodwill, SVP, R&S
Oversight
Branden Sudduth, VP, RPPA

2022 Budget Overview

- Budget increase—\$1,142,000 (4.0%)
 - Budget total—\$29,747,000
- 4.0 additional statutory FTE
- Assessments—No change from 2021
 - Assessments total—\$25,000,000
- Penalties currently collected—\$2,843,000
- Use of reserves—\$1,600,000

FTE Analysis

| Total FTEs by Program Area | Budget 2021 | Projection 2021 | Direct FTEs 2022 Budget | Shared FTEs* 2022 Budget | Total FTEs 2022 Budget | Change from 2021 Budget |
|--|----------------|--------------------|-------------------------------|-----------------------------------|------------------------------|-------------------------------|
| STATUTORY | | | | | | |
| Operational Programs | | | | | | |
| Reliability Standards | 3.00 | 3.00 | 3.00 | - | 3.00 | - |
| Compliance Monitoring and Enforcement and Organization Registration and Certification | 62.75 | 62.75 | 67.75 | - | 67.75 | 5.00 |
| Reliability Assessment and Performance Analysis | 37.30 | 37.30 | 35.80 | - | 35.80 | (1.50) |
| Training and Outreach | 1.50 | 1.50 | 2.00 | - | 2.00 | 0.50 |
| Situation Awareness and Infrastructure Security | 2.00 | 2.00 | 2.00 | - | 2.00 | - |
| Total FTEs Operational Programs | 106.55 | 106.55 | 110.55 | - | 110.55 | 4.00 |
| Corporate Services | | | | | | |
| Technical Committees and Member Forums | - | - | - | - | - | - |
| General and Administrative | 18.70 | 18.70 | 17.70 | - | 17.70 | (1.00) |
| Legal and Regulatory | 7.25 | 7.25 | 7.75 | - | 7.75 | 0.50 |
| Information Technology | 9.00 | 9.00 | 9.00 | - | 9.00 | - |
| Human Resources | 4.00 | 4.00 | 4.00 | - | 4.00 | - |
| Finance and Accounting | 3.00 | 3.00 | 3.50 | - | 3.50 | 0.50 |
| Total FTEs Corporate Services | 41.95 | 41.95 | 41.95 | - | 41.95 | - |
| Total FTEs | 148.50 | 148.50 | 152.50 | - | 152.50 | 4.00 |

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

2021 to 2022 Change Drivers

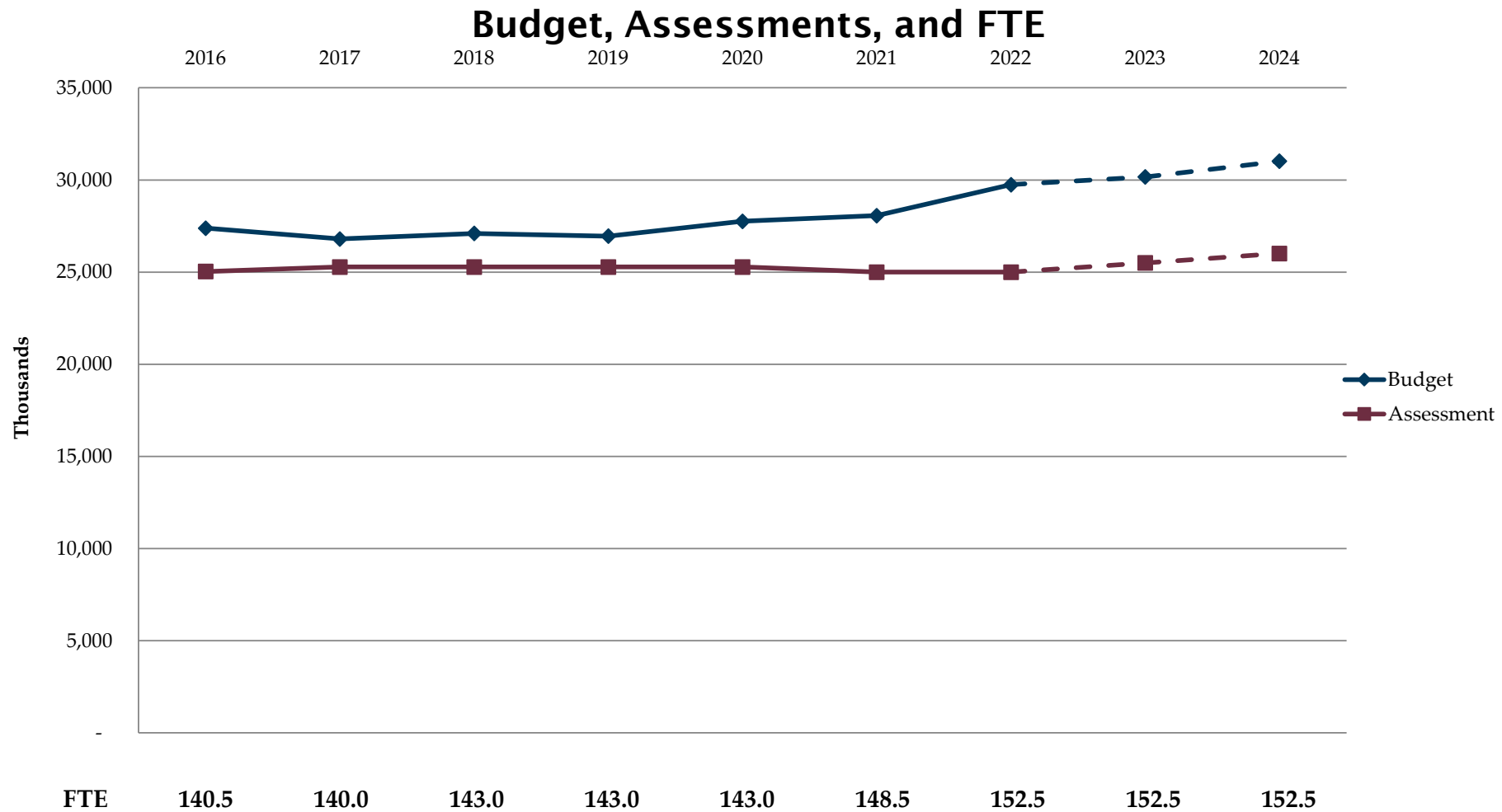
| | <u>in 000s</u> | |
|---|----------------|----------------------|
| 2021 Approved Budget | 28,605 | |
| + 4.0 FTE, 3% merit, labor float adj., changes in position levels, refinement of taxes/benefits | 1,417 | |
| + Consulting for Peak Reliability donation data projects | 400 | |
| + Increase in computer licensing due to subscription-based services/tools, new security tools | 257 | |
| + Increase in Board of Director retainers | 83 | |
| + Increase in HP Conference (co-hosted with NERC) meeting costs | 50 | |
| - Decrease in travel and meeting costs, partially due to COVID-19 | (556) | |
| - Elimination of one-time RAPA consulting projects | (242) | |
| - Decrease in Board search fees | (133) | |
| - Decrease in webCDMS licensing fees due to Align | (104) | |
| - Decrease in office rent due to closure of the Vancouver office | (59) | |
| + Other net changes | 29 | |
| 2022 DRAFT Budget | 29,747 | 4.0% increase |

Second Draft Changes

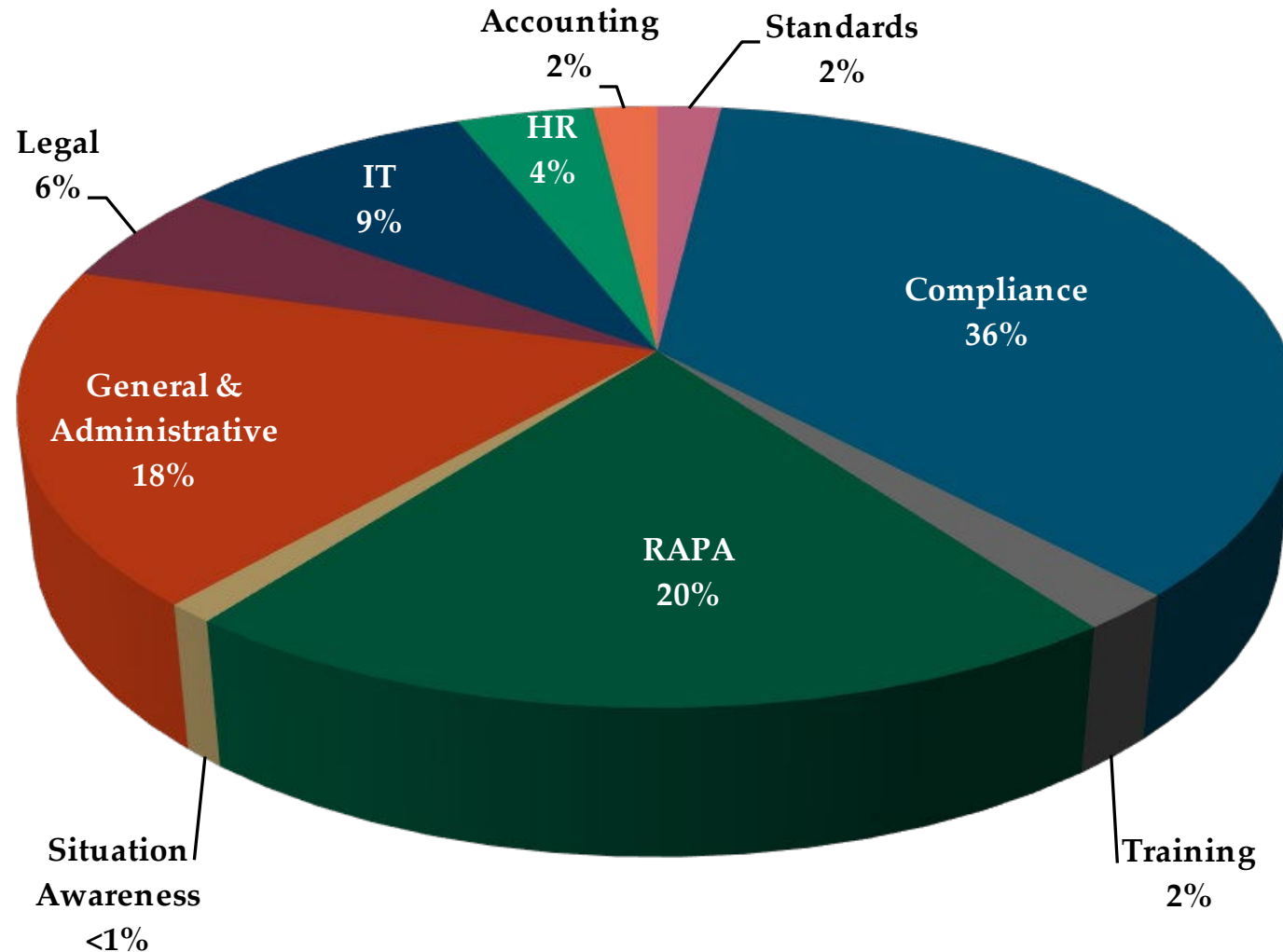
Reconciliation of Draft #1 to Draft #2 2022 Statutory Budget - Major Drivers

| | <u>in 000s</u> |
|---|----------------|
| Draft #1 Total Statutory Budget | 29,827 |
| - Elimination of Board search fees | (65) |
| - Adjustments to HR recruiting fees | (23) |
| + Adjust Board retainers | 3 |
| + Non-statutory overhead allocation updates | 5 |
| Draft #1 to #2 Change | (80) |
| Draft #2 Total Statutory Budget | 29,747 |

Trending



Statutory Program Areas



Compliance Monitoring and Enforcement

| Management/International | | | | FTE: 1.75 |
|--|--|--|---|--|
| Registration | Entity Risk Assessment | Entity Monitoring | Enforcement and Mitigation | Program Analysis and Administration |
| <ul style="list-style-type: none"> • Process Registration Requests • Ensure WECC has the correct entities registered for the correct functions • Identify, investigate and address functional registration gaps | <ul style="list-style-type: none"> • Support Enforcement • Entity Internal Compliance Program Analysis • Perform Inherent Risk Assessments and develop Compliance Oversight Plans • Work with Entity Monitoring to develop Audit Scopes • Provide Internal Controls assessment and outreach to registered entities, and training to WECC SMEs | <ul style="list-style-type: none"> • Compliance Monitoring; audits, spots checks, and investigations • Support for Risk Analysis, Internal Controls, and Enforcement | <ul style="list-style-type: none"> • Perform CIP and O&P Self Report, Mitigation Plan, and Completion of Mitigation Plan reviews • Validate Self-Certification responses • Process Open Enforcement Action • Conduct settlement activities • Issue Entity Penalty Invoices • Self-Logging Program management • NERC/FERC reporting, interface, and data sync • Coordinate NERC Enforcement Oversight Activities | <ul style="list-style-type: none"> • Program Coordination of all Compliance Monitoring Activities • Compliance Monitoring Schedules/History • Oversee Multi-Regional Registered Entity Coordinated Oversight Program • Manage Document Control • Management Reporting • Process Integration • Oversee major change leadership efforts, such as Align implementation |
| FTE: 1 | FTE: 10 (+2) | FTE: 31 (+1) | FTE: 16 (+2) | FTE: 8 |

Reliability Assessment and Performance Analysis

| Management/Support | | | FTE: 3.8 (-1.5) |
|---|---|---|--|
| Performance Analysis and Resource Adequacy | Event Analysis | Reliability Planning | |
| <ul style="list-style-type: none"> Reliability vulnerability assessments Special assessments/deep dive into emerging issues State of the Interconnection report NERC data management and analysis Resource adequacy assessments using probabilistic and deterministic methods NERC and regional reliability assessments | <ul style="list-style-type: none"> Technical Committee support and facilitation Event Analysis and lessons learned Cause coding and Root Cause analysis Event trending Operational guidelines and good utility practices Assurance visits and operational practices assessments | <ul style="list-style-type: none"> RAC support and facilitation Anchor Data Set development Base case development Production cost model development Short circuit data collection and analysis Study analysis and report generation | <ul style="list-style-type: none"> Special reliability assessments Database management and model development Scenario development Project coordination and Path Rating process |
| FTE: 8 | FTE: 5 | FTE: 19 | |

Next Steps

- May 14—Stakeholder comments due
- June 16—Board of Directors meeting



Contact:

Jillian Lessner

VP, CFAO

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Draft WIRAB Advice on WECC's 2022 BP&B

- 1. WIRAB supports WECC's proposed increase of 5 FTE to the Compliance Monitoring and Enforcement Program (CMEP).** The ongoing transformation of western grid is creating challenges for grid planners, operators, and security experts. The increased staffing level in the CMEP is needed to ensure adequate oversight of Registered Entities.
- 2. WIRAB supports WECC's proposed increase of 1 FTE in the External Affairs department.** The timely dissemination of key findings and recommendations included in WECC's reliability assessments is directly aligned with WECC's social welfare mission and role of being an impartial and unbiased voice for mitigating risks to the reliability and security of the Western Interconnection.



Draft WIRAB Advice on WECC's 2022 BP&B

- 3. WIRAB supports WECC's proposal to engage with stakeholders to identify the best use of the funds donated by Peak Reliability.**
WECC stakeholders are uniquely situated to help identify incremental projects to improve bulk electric system reliability and security throughout the West. WIRAB recommends describing the Peak donation and process proposed to use the funds in the BP&B.
- 4. WIRAB supports WECC's proposed budget and statutory assessment for 2022.** WECC's proposed 2022 BP&B includes sufficient funding to support the organization in the performance of its statutory obligations, including its efforts to address the Board's identified Reliability Risk Priorities.



Draft WIRAB Advice on WECC's 2022 BP&B

- **Overall Recommendation:** WIRAB Staff recommends that WIRAB advise the WECC Board to approve WECC's 2022 Business Plan and Budget and Assessment.
- **Next Steps:**
 - WIRAB comments, feedback and approval due: **May 13, 2021**
 - WECC comment period closes: May 14, 2021
 - WECC Board meeting for approval: June 16, 2021



Upcoming Meetings

WIRAB Monthly Teleconference Meeting

First Thursday of every month at 11:00 AM MT

Next Meeting: June 3, 2021 at 11:00 AM MT

Spring Joint CREPC-WIRAB Webinar Series:

Resource Adequacy in the West

Friday, May 7, 2021, at 11:00 AM MT

<https://westernenergyboard.org/>





Thank You

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