

WIRAB Comments on the WECC **2016 Business Plan and Budget**

May 14, 2015

The Western Interconnection Regional Advisory Body (“WIRAB”) appreciates the opportunity to comment on the proposed 2016 Business Plan and Budget for the Western Electricity Coordinating Council (“WECC”).

WIRAB was created by Western Governors under Section 215 of the Federal Power Act. Members of WIRAB represent the Governors of 14 western states, the Canadian provinces of Alberta and British Columbia, and Mexico. WIRAB is charged to advise the North American Electricity Council (“NERC”) and the Federal Energy Regulatory Commission (“FERC”) on whether proposed reliability standards and the governance and budgets of the WECC are in the public interest.

WIRAB supports WECC’s proposed 2016 statutory budget of \$27.4 million and its proposed 2016 statutory assessment of \$25 million. The primary drivers of the \$1.1 million increase from the 2015 budget are compensation and labor related, including a net addition of 3 positions. The statutory assessment is unchanged from 2015. The proposed budget and assessment are in the public interest.

WIRAB recommends specific additions to WECC’s 2016 Work Plan in three program areas:

1. Reliability Assessment and Performance Analysis Program:

The following bullets should be added in the RAPA Program’s 2016 Key Assumptions:

- WECC RAPA staff will assume a leadership role in the identification of emerging reliability challenges in the Western Interconnection and will be responsible for ensuring that emerging challenges are considered in the IRAM process.
- WECC RAPA staff will proactively coordinate with WECC Standards staff, CMEP Staff, and outside stakeholders to ensure that emerging reliability challenges are being identified and addressed in the IRAM process.

The following bullet should be added in the RAPA Program’s 2016 Goals and Key Deliverables:

- Ensure active staff and stakeholder participation in the IRAM process.

WIRAB supports the organization of the RAPA program into three departments as a first step in operationalizing the IRAM. WIRAB also supports RAPA staff working to reconcile data in various planning models to allow WECC to analyze the challenges identified through the IRAM process. However, RAPA staff must also assume a

leadership role identifying emerging reliability risks and providing input and guidance to the IRAM process. RAPA staff must proactively coordinate with Standards staff, CMEP staff, and outside stakeholders to ensure that emerging reliability challenges are being identified and addressed through the IRAM process.

2. Reliability Standards Program:

The following bullet should be added in the Reliability Standards Program's 2016 Key Assumptions:

- WECC Standards staff will participate in the IRAM process and take an active role in the origination and development of new or modified Regional Reliability Standards and Regional Criteria to address emerging reliability challenges.

WIRAB agrees with WECC's observation that integration of renewable resources may require new or modified NERC Reliability Standards. WIRAB also supports WECC's continued reliance on stakeholder volunteers for the staffing of the majority of the NERC Standards drafting teams. However, in order to meet its goal of ensuring that Regional Reliability Standards and Regional Criteria meet the needs of the western stakeholders, the WECC Standards staff should assume a more proactive role in the initiation and origination of new or modified reliability standards. For example, it is surprising that PJM is ahead of WECC on the consideration of requirements for enhanced inverters for solar and wind generators to address reactive power needs and ride-through concerns. Relying on stakeholder volunteers to bring forward new or modified standards may not be adequate to keep up with emerging trends and the development of timely standards.

3. Compliance Monitoring and Enforcement Program:

The following bullet should be added in the CMEP Program's 2016 Key Assumptions:

- WECC CMEP staff will participate in the IRAM process and will use compliance program results and system events to identify emerging reliability challenges and where existing NERC Reliability Standards can be improved or clarified.

WIRAB supports addressing emerging reliability risks in a proactive manner and the IRAM is the primary tool that WECC should use to achieve this goal. WIRAB supports and emphasizes the importance of increasing the flexibility to use CMEP staff resources to identify and address emerging reliability risks.

We conclude by offering the following observations on the Projected 2017 and 2018 Budgets:

- Business-as-usual budgets and level statutory assessments should not be the focus or expectation of WECC and its stakeholders. The focus should be on WECC's

mission and on improving reliability in the Western Interconnection. The expectation should be that the budget will adjust to achieve these goals.

- It is unclear if the current staffing and funding levels will be adequate in the future to implement the Integrated Reliability Assurance Model (IRAM) and to address the emerging reliability challenges facing the West.
- The future ability of WECC to maintain its current budget and statutory assessment levels will, in large part, be driven by the outcomes of the ongoing section 4.9 review of the WECC Bylaws. It is imperative that WECC align the priorities of its Standing Committees with its corporate priorities and the priorities established through the IRAM process.
- To meet its public interest mission while controlling costs and assessments, WECC will need the future ability to redirect and reprioritize both its staff efforts and the efforts of the stakeholder volunteers on its standing committees. Without coordinated activity WECC will likely need additional staff in the future.