

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

*Request of the North American Electric Reliability Corporation for Acceptance of its 2017 Business Plan and Budget* )  
 ) **Docket No. RR16-6-000**  
 )

**ADVICE OF THE WESTERN INTERCONNECTION REGIONAL ADVISORY BODY**

**I. Introduction**

The Western Interconnection Regional Advisory Body (“WIRAB”)<sup>1</sup> appreciates the opportunity to submit advice to the Federal Energy Regulatory Commission (“Commission”) on the Western Electricity Coordinating Council’s (“WECC”) 2017 Business Plan and Budget submitted to the Commission with the North American Electric Reliability Corporation’s (“NERC”) 2017 Business Plan and Budget on August 23, 2016.<sup>2</sup>

**II. Background**

WIRAB participated throughout WECC’s Business Plan and Budget process and submitted comments on the proposed 2017 Business Plan and Budget during WECC’s open

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<sup>1</sup> Under Section 215 (j) of the Federal Power Act, Regional Advisory Bodies, such as the Western Interconnection Regional Advisory Body (WIRAB), are authorized to provide advice to the Commission on “...whether fees proposed to be assessed within the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest...”. WIRAB was created by Western Governors under Section 215 of the Federal Power Act (FPA). Members of WIRAB represent the Governors of 14 western states, the Canadian provinces of Alberta and British Columbia, and Baja Mexico. WIRAB is charged to advise the NERC, the Commission and WECC on whether proposed reliability standards and the governance and budgets of WECC are in the public interest.

<sup>2</sup> Request of the North American Electric Reliability Corporation for Acceptance of its 2017 Business Plan and Budget, Docket RR16-6-000 (August 23, 2016).

comment period.<sup>3</sup> WECC staff also participated on a webinar with WIRAB Members so that Members could have clear understanding of WECC's business plan, priorities and assumptions prior to WIRAB formalizing its comments on the 2017 Business Plan and Budget.

WECC's proposed statutory budget for 2017 is approximately \$26.80 million, which represents a decrease of \$588,000 (2.1%) from the 2016 budget. Its proposed 2017 statutory assessment is approximately \$25.28 million, which is \$250,000 (1.0%) higher than its 2016 statutory assessment. The primary drivers of the budget decrease are related to the completion of one-time projects and contracts, including Remedial Action Scheme modeling software enhancements, a decrease in the net total full-time equivalents ("FTEs") by 0.5 FTEs and the elimination of WECC's self-funded System Operator Training Program. The increase in the statutory assessment from 2016 to 2017 is primarily due to reduction in the penalty revenue collected, a reduction in workshop fees associated with the elimination of the System Operator Training Program, a reduction in budgeted interest income, and an adjustment to the Working Capital Reserve as a result of WECC's Assessment Stabilization Initiative.

### **III. Comments**

WECC's overall 2017 Business Plan and Budget reflects business-as-usual.

**WIRAB has reviewed WECC's 2017 Business Plan and Budget and believes the 2017 statutory budget and assessment to be reasonable and in the public interest for the following reasons:**

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<sup>3</sup> WIRAB Comments on the WECC 2017 Business Plan and Budget, May 31, 2016, pg. 60-61 in WECC's June 2016 Board Book found here: [https://www.wecc.biz/Administrative/2016%20June%20Board%20Book%20\(without%20Presentations\).pdf](https://www.wecc.biz/Administrative/2016%20June%20Board%20Book%20(without%20Presentations).pdf)

1. WECC's Reliability Assessment and Performance Analysis ("RAPA") program is adequately funded. WECC reallocated three FTEs to its RAPA program area, broadening the analytical capabilities of WECC staff to make up for some of the outside subject matter expertise lost due to the decrease in consultants and contract expenses.
2. WECC's Compliance Monitoring and Enforcement Program ("CMEP") is adequately funded. WECC added an additional FTE to the oversight staff in the CMEP program area to ensure proper execution of risk-based concepts in its compliance monitoring strategies for individual entities. The shift toward risk-based concepts in compliance monitoring puts much more burden on the auditors performing the assessment than in the past when simpler check-box assessments occurred. This requires adequate staffing to carry-out compliance monitoring assessments in a high quality manner and WECC should strive to have this area fully staffed.
3. WECC's Reliability Standards Program is adequately funded. WECC continues to utilize voluntary stakeholder subject matter expertise in its Reliability Standards Program area to help develop WECC Regional Reliability Standards and therefore will keep the staffing levels constant to the actual levels in 2016.
4. WECC's Training, Education, and Operator Certification program is properly tasked. Although WECC has chosen to eliminate its System Operator Training Program due to declining attendance and increased competition from other NERC-approved training providers, the Training, Education, and Operator Certification program area will continue to offer key stakeholder outreach and specialized education opportunities to industry stakeholders. These programs are typically fully-funded

through fees assessed at the workshops. There has been a net-decrease in FTEs due to elimination of the System Operator Training Program.

5. WECC's Corporate Services departments are adequately funded to be able to properly support the organization. WECC's Corporate Services budget has remained flat. A majority of the reallocation of FTEs to other program areas are proposed to be transferred from some of the corporate departments, but efficiency gains within corporate services is expected to make up for the reallocation of FTEs.

#### **IV. Conclusion and Recommendation**

WIRAB has reviewed WECC's 2016 Business Plan and Budget and finds all of the proposed activities to be eligible and appropriate for funding under Section 215 of the Federal Power Act. The changing resource mix in the West is forcing WECC to examine and study emerging reliability challenges. Robust strategic planning by WECC is an essential process to be able to cost-effectively address these reliability challenges.

**WIRAB respectfully requests the Commission to approve the 2017 statutory budget and assessment for WECC.**

Respectfully Submitted,

/s/ John Savage

John Savage

Chair

Western Interconnection Regional Advisory Body

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/s/ Maury Galbraith

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## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Denver, CO this 13<sup>th</sup> day of September, 2016.

/s/ Eric Baran

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