



Western Energy Imbalance Market Body of State Regulators

2024 Business Plan and Budget

October 4, 2023

**Approved by:
Appointed Members of the
Western EIM Body of State Regulators**

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Introduction

The Western Energy Imbalance Market (WEIM) Body of State Regulators' (BOSR) proposed budget for 2024 is \$446,216. This amount is a \$31,504 (7.6%) increase over the WEIM-BOSR's approved 2023 budget. The budget is based upon employment of 2 full-time equivalent (FTE) employees in 2024.

The BOSR's projected working capital reserve on December 31, 2023 is \$96,336. The BOSR's targeted working capital reserve on December 31, 2024 is \$53,500 which is equal to 12% of the proposed budget. The BOSR total funding assessment for 2024 is \$402,881. This is \$43,450 (12.1%) higher than the funding amount in the WEIM-BOSR's approved 2023 budget. The increase in this year's assessment is due to a gradual increase in the budget to account for inflation, increased meeting and travel activity, and an overall decrease to the change in assessments over the previous two years. The net change in assessments from 2022 to 2024 remains relatively flat at 1.2%. The following table summarizes the BOSR proposed budget for 2024.

Table 1. BOSR Budget for 2024

BOSR - Total Resources	2024
Total FTEs	2.00
Total Expenses	\$ 446,216
Targeted Working Capital Reserve	\$ 53,500
Total Funding Requirement	\$ 499,716
Projected Working Capital Reserve	\$ 96,336
Increase or (Decrease) to Achieve Targeted Working Capital Reserve	\$ (42,836)
2023 Funding Requirement	\$ 403,381
Less: 2024 Interest Income	\$ (500)
Total 2024 Funding Assessment	\$ 402,881

The BOSR funding assessment is allocated to State-Regulated Market Participants (SRMPs) using a two-tier allocation methodology. The funding assessment is first allocated to each state. States with small amounts of electric load participating in the WEIM receive a discount. Second, each SRMP within a state is allocated a funding amount based on its percentage share of the electric load within the state. The following table summarizes the funding allocation by state for 2024.

Table 2. BOSR Funding Allocation by State for 2024

State	2024 Funding Assessment
Arizona	\$ 47,089.93
California	\$ 47,089.93
Idaho	\$ 47,089.93
Montana	\$ 18,312.75
Nevada	\$ 47,089.93
New Mexico	\$ 18,312.75
Oregon	\$ 47,089.93
Texas	\$ 18,312.75
Utah	\$ 47,089.93
Washington	\$ 47,089.93
Wyoming	\$ 18,312.75
TOTAL	\$ 402,880.51

Organizational Overview

The WEIM-BOSR was established in September of 2015, as a part of the governance proposal adopted by the California Independent System Operator (CAISO) Board of Governors to address the regional nature of its energy imbalance market. The BOSR provides a forum for state commissioners to (1) select a voting member of the WEIM Governing Body Nominating Committee, (2) learn about and discuss the WEIM and CAISO markets, and (3) express a common position in CAISO stakeholder processes or to the WEIM Governing Body on WEIM

issues.

The BOSR has chosen the Western Interstate Energy Board (WIEB) as the vehicle to obtain independent staff support. WIEB was formed in 1970 pursuant to the Western Interstate Nuclear Compact, P.L. 91-461. WIEB provides the instruments and framework for developing energy policy cooperatively among member states and provinces and the federal government to enhance the economy of the West. WIEB currently shares staff resources and office space with the Western Interconnection Regional Advisory Body (WIRAB). WIRAB was created by the Federal Energy Regulatory Commission (FERC) in 2006 upon petition of the western governors. WIEB also provides staff support to the Western Resource Adequacy Program Committee of State Representatives (WRAP-COSR) and the Southwest Power Pool Markets+ States Committee (SPP-MSC). The WRAP-COSR is an organization comprised of one representative from each state with a utility participating in the Western Resource Adequacy Program (WRAP). The SPP-MSC is an organization of representatives from any of the states or provinces with entities that may plausibly choose to participate in the ultimate Markets+ day-ahead market structure of SPP. WIEB, WIRAB, WEIM-BOSR, WRAP-COSR, and SPP-MSC are independent sister organizations that share a common staff and office space but maintain independent governance and decision-making. The following chart illustrates the relationships between the organizations.

Figure 1. Organizational Relationships

<p style="text-align: center;">Western Interstate Energy Board (WIEB)</p> <ul style="list-style-type: none"> Created as an interstate compact by western states and ratified by Congress (P.L.91-461). Governors of AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY, and Premiers of AB and BC appoint member representatives. Provides the instruments and framework for developing energy policy cooperatively among member states and provinces and the federal government to "enhance the economy of the West and contribute to the well-being of the region's people." 	<p style="text-align: center;">Western Interconnection Regional Advisory Body (WIRAB)</p> <ul style="list-style-type: none"> Created by western governors pursuant to Section 215(j) of the Federal Power Act. WIEB Board Members from AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY, BC, and AB appoint member representatives. Governors from NE, SD, TX, and Baja California Mexico appoint member representatives. Provides advice to FERC, NERC, and WECC on electric reliability matters in the Western Interconnection. 	<p style="text-align: center;">Western EIM Body of State Regulators (WEIM-BOSR)</p> <ul style="list-style-type: none"> Created by California ISO Board of Governors to address the regional nature of the Western Energy Imbalance Market (WEIM). One commissioner from each state public utilities commission in which a regulated load-serving utility participates or plans to participate in the Western EIM. Provides a forum for state commissioners to: (1) select a voting member of the WEIM Governing Body Nominating Committee, (2) learn about and discuss the EIM and CAISO markets, and (3) express a common position to the WEIM Governing Body on EIM issues. 	<p style="text-align: center;">Western RA Program Committee of State Representatives (WRAP-COSR)</p> <ul style="list-style-type: none"> Created by Northwest Power Pool Board of Directors to address the regional nature of the Western Resource Adequacy Program (WRAP). One representative from each state or province in which a load-serving entity participates in the WRAP. Provides advice to the Northwest Power Pool and FERC on the design and operation of the Western Resource Adequacy Program. 	<p style="text-align: center;">Markets+ State Committee (MSC)</p> <ul style="list-style-type: none"> Created in partnership with the Southwest Power Pool to provide Western state perspectives on Markets+. During Phase One of the Markets+ development, membership is open to one representative from any state or province with an entity that is considering joining Markets+. Provides advice to the Markets+ Participant Executive Committee and the Markets+ Independent Panel on the design and operation of Markets+.
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Membership and Governance

The WEIM-BOSR is comprised of one commissioner from each of the state public utilities commissions in which a regulated load-serving utility participates in the WEIM. All states with a regulated load-serving utility participating in the WEIM (AZ, CA, ID, MT, NM, NV, OR, TX, UT, WA, WY) have appointed members to the BOSR. Below is the list of current BOSR member representatives:

Figure 2. BOSR Membership List

BOSR Member Representatives		
Arizona	Kevin Thompson	Commissioner, Arizona Corporation Commission
California	Darcie Houck	Commissioner, California Public Utility Commission
Idaho	John Hammond	Commissioner, Idaho Public Utilities Commission
Montana	Tony O'Donnell	Commissioner, Montana Public Service Commission
Nevada	Hayley Williamson	Chair, Nevada Public Utilities Commission
New Mexico	Gabriel Aguilera	Commissioner, New Mexico Public Regulation Commission
Oregon	Letha Tawney	Commissioner, Oregon Public Utilities Commission
Texas	Jimmy Glotfelty	Commissioner, Public Utilities Commission of Texas
Utah	Thad LeVar	Chair, Utah Public Service Commission
Washington	Milt Doumit	Commissioner, Washington Utilities & Transportation Commission
Wyoming	Michael Robinson	Commissioner, Wyoming Public Service Commission

2024 Strategic Priorities and Goals

The WEIM continues to expand, and in 2023, the California ISO filed to FERC the tariff for its Extended Day-Ahead Market (EDAM) design. Early, consistent, and informed regulator engagement on regional market operations and developments is crucial to efficient and sustainable markets that deliver public benefits. To continue to enable that engagement, the WEIM-BOSR aims in 2024 to work with its staff to:

- Advance education and understanding among western commissioners regarding CAISO initiatives and organized wholesale electricity markets.
- Provide a forum for discussion and opportunities to form a common state perspective on issues relating to wholesale power markets. This includes:
 - Organizing two in-person WEIM-BOSR meetings;
 - Holding monthly remote WEIM-BOSR meetings; and

- Organizing other meetings, as necessary.
- Support the BOSR members' effective engagement in relevant CAISO processes by:
 - Tracking and participating in the CAISO initiatives, most relevant to the WEIM-BOSR, including those that relate to policy, market design or governance, such as Price Formation Enhancements, Greenhouse Gas Coordination, Resource Sufficiency Evaluation, and Governance.
 - Arranging or providing briefings and training on policy and technical matters.
 - Further developing internal technical expertise.
 - Facilitating BOSR members consideration of potential consensus positions relevant to CAISO initiatives.
 - Provide wholesale electricity market training.
- Engage with other key organizations in the West, such as the CAISO Department of Market Monitoring and Market Surveillance Committee, and regulators, policymakers, and market operators from other regions such as the Federal Energy Regulatory Commission, other regional states committees and other organized markets.

2024 Budget and Assumptions

The BOSR proposed budget for 2024 is \$446,216. The budget is based upon employment of 2 FTEs in 2024. The BOSR's projected working capital reserve on December 31, 2023 is \$96,336. The BOSR's targeted working capital reserve on December 31, 2024 is \$53,500 which is equal to 12% of the proposed budget. The BOSR total funding assessment for 2024 is \$402,881.

The BOSR 2024 budget is based on the following key assumptions:

- The BOSR will hold two in-person meetings, the Spring 2024 WEIM-BOSR Meeting and a Fall 2024 WEIM-BOSR Meeting that will be in-conjunction with other state committees' meetings WIEB provides staff support for.

- The BOSR will organize and sponsor webinars and workshops on key WEIM and proposed EDAM issues for state and provincial representatives, industry representatives, and other interested stakeholders.
- A BOSR representative will participate in all CAISO WEIM Governing Body meetings.
- BOSR members will participate in selected CAISO meetings and workshops on relevant topics.
- The BOSR leadership will visit FERC in its offices in Fall/Winter 2024.
- The BOSR will engage the Program on Energy and Sustainable Development at Stanford University to provide market training for BOSR members and regulatory staff in 2024.

Personnel and Indirect Expenses

Personnel expenses in the BOSR's budget total \$181,300 for a total of two FTE's. The FTE breakdown is allocated to 0.80 FTE to the Program Manager – Wholesale Electricity Markets, 0.90 FTE to the Analyst – Wholesale Energy Markets, 0.20 FTE to the Executive Director, and 0.10 FTE to the Project Support Specialist. The Western Interstate Energy Board uses a single rate method for indirect expenses. The indirect expenses include office expenses, medical and retirement expenses as well as holiday, vacation, and sick leave for BOSR staff. The indirect rate is a percent of direct labor expense associated with BOSR activities. The indirect rate is 95.1% in the 2024 budget. This is a 1.6% rate decrease from the 2023 budget. Table 3 shows personnel and indirect expenses per FTE for the BOSR first proposed budget.

Table 3. Personnel and Indirect Expense Analysis, 2024

BOSR - Personnel and Indirect Expense Analysis, 2024					
	Budget 2023	Projection 2023	Budget 2024	Variance 2024 Budget v 2023 Budget	Variance %
Salary Expense	\$ 163,812	\$ 145,000	\$ 181,300	\$ 17,488	10.7%
FTEs	2.00	2.00	2.00	-	0.0%
Cost per FTE	\$ 81,906	\$ 81,906	\$ 90,650	\$ 8,744	10.7%
Indirect Rate	96.7%	96.7%	95.1%		-1.6%
Indirect Expense	\$ 158,400	\$ 139,055	\$ 172,416	\$ 14,016	8.8%
FTEs	2.00	2.00	2.00	-	0.0%
Cost per FTE	\$ 79,200	\$ 79,200	\$ 86,208	\$ 7,008	8.8%

Meeting Expense

Meeting costs in the 2024 budget total \$15,000, which remain unchanged from 2023. These costs include hotel conference room reservations and audio and visual services. The BOSR holds two in-person meetings per year that include participation by state and provincial representatives. In 2024, the BOSR will hold two in-person meetings, one in Spring 2024 and another in Fall 2024. These meetings are open to the public. Wherever feasible, BOSR meetings will be coordinated with other meetings of the Western states and provinces. The BOSR also conducts monthly conference calls to update members on current activities and to develop positions on EIM-related issues.

Travel Expense

Travel costs total \$37,500, which remains unchanged from 2023. This amount continues to reflect post pandemic conditions with the increase in number of in-person meetings scheduled to occur in 2024. In 2024, BOSR members will make 11 trips to attend in-person meetings at the California ISO as well as the BOSR-sponsored electricity markets training, which accounts for \$22,500. BOSR staff will make ten trips to attend in-person meetings at the California ISO, which accounts for \$15,000 in travel expenses. Hotel and travel costs reflect

recent inflation and are based on recent travel experience.

Consultants and Contracts

The budget includes \$40,000 in contract funding for electricity market training for BOSR members and state regulatory staff; this remains unchanged from the 2023 budget. The BOSR plans to engage the Program on Energy and Sustainable Development at Stanford University to obtain game-based electricity market simulation training. The game-based training provides BOSR members and regulatory staff “hands-on” familiarity with market mechanisms and concepts that are difficult to gain from more theoretical lectures. We envision at least one training session in 2024 that provides a basic session on electricity market operation and a relevant or emerging market operation issue, such as market interoperability with regional resource adequacy programs or greenhouse gas accounting. This training will help the BOSR prepare technically sound advice to submit to the Western EIM Governing Body.

Budget Comparison

The projection of actual 2023 expenses is \$356,555, which is \$58,157 (-14%) less than the authorized 2023 budget amount. The variance, or budget underspend, between actual expenses and budgeted expenses are attributable to a decrease in labor due to the loss of one FTE for half of 2023 and a decrease in consulting expenses as a result of only one of two market training sessions held in 2023. The underspend in 2023 results in an increase to working capital reserves, which contributes to a decrease in assessments in 2024.

Table 4. Budget Comparison, 2023 to 2024

BOSR - Statement of Activities and Change in Working Capital 2023 Budget & Projection, and 2024 Budget							
	2023 Budget	2023 Projection	Variance 2023 Projection v 2023 Budget		2024 Budget	Variance 2024 Budget v 2023 Budget	
			Over(Under)	% Change		Over(Under)	% Change
Funding							
Assessments	\$ 359,431	\$ 359,431	\$ -	0.0%	\$ 402,881	\$ 43,450	12.1%
Interest	500	500	\$ -		500	\$ -	
Miscellaneous	-	-	-		-	-	
TOTAL FUNDING (A)	\$ 359,931	\$ 359,931	\$ -	0.0%	\$ 403,381	\$ 43,450	12.1%
Expenses							
Personnel Expenses							
Salaries	163,812	145,000	(18,812)	-11.5%	181,300	\$ 17,488	10.7%
Payroll Taxes						-	
Benefits						-	
Retirement Costs						-	
Total Personnel Expenses	\$ 163,812	\$ 145,000	\$ (18,812)	-11.5%	\$ 181,300	\$ 17,488	10.7%
Meeting Expenses							
BOSR Meetings	\$ 15,000	\$ 15,000	\$ -	0.0%	\$ 15,000	\$ -	0.0%
State Travel	22,500	\$ 22,500	\$ -	0.0%	22,500	\$ -	0.0%
Staff Travel	15,000	\$ 15,000	\$ -	0.0%	15,000	\$ -	0.0%
Conference Calls	-	-	\$ -		-	\$ -	
Total Meeting Expenses	\$ 52,500	\$ 52,500	\$ -	0.0%	\$ 52,500	\$ -	0.0%
Operating Expenses							
Consultants & Contracts	\$ 40,000	\$ 20,000	\$ (20,000)	-50.0%	\$ 40,000	\$ -	0.0%
Office Rent	-	-	-		-	-	
Office Costs	-	-	-		-	-	
Professional Services	-	-	-		-	-	
Miscellaneous	-	-	-		-	-	
Depreciation	-	-	-		-	-	
Total Operating Expenses	\$ 40,000	\$ 20,000	\$ (20,000)	-50.0%	\$ 40,000	\$ -	0.0%
Total Direct Expenses	\$ 256,312	\$ 217,500	\$ (38,812)	-15.1%	\$ 273,800	\$ 17,488	6.8%
Indirect Expenses	\$ 158,400	\$ 139,055	\$ (19,345)	-12.2%	\$ 172,416	\$ 14,016	8.8%
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	
TOTAL BUDGET (B)	\$ 414,712	\$ 356,555	\$ (58,157)	-14.0%	\$ 446,216	\$ 31,504	7.6%
CHANGE IN WORKING CAPITAL (=A-B)¹	\$ (54,781)	\$ 3,376	\$ 58,157		\$ (42,836)	\$ 11,945	
FTEs	2.00	2.00	-	0.0%	2.00	-	0.0%

¹ Fixed Assets included in Indirect Expenses.

Working Capital Reserve

The BOSR projects a working capital reserve on December 31, 2023 of \$96,336. The BOSR is targeting a working capital reserve equal to 12% of budgeted expenses in 2024. The reserves are intended to provide for unexpected expenses or losses. This contributes to a stable and financially prudent reserve policy for 2024 and future budget periods. The reserve policy will continue to be reviewed annually to determine what, if any, changes need to be made to manage budget risks. The adjustment to the funding requirement to meet the targeted level of reserves is the mechanism by which the BOSR will ensure that budget surpluses in any given budget year will be used to reduce the funding requirement in the subsequent budget year. In 2024 the benefit of these adjustments is evident as assessments were reduced by \$42,836 to achieve targeted working capital reserve. The following table shows the BOSR's analysis of its working capital reserves.

Table 5. Working Capital Reserve Analysis, 2024

BOSR - Working Capital Reserve Analysis, 2024	
Beginning Working Capital Reserve (Deficit), December 31, 2022	92,960
Plus: 2023 Funding (from LSEs or designees)	359,431
Plus: 2023 Interest Income	500
Minus: 2023 Projected expenses & capital expenditures	(356,555)
Projected Working Capital Reserve (Deficit), December 31, 2023	96,336
Targeted Working Capital Reserve, December 31, 2024¹	53,500
Minus: Projected Working Capital Reserve, December 31, 2023	(96,336)
Increase(decrease) in funding requirement to achieve Working Capital Reserve	(42,836)
2024 Expenses and Capital Expenditures	446,216
Less: 2024 Interest Income	(500)
Adjustment: To achieve targeted Working Capital Reserve	(42,836)
2024 BOSR Assessment	402,881

¹ Targeted working capital reserve is 12 percent of budgeted expenses.

Budget Projections for 2025 & 2026

The BOSR projects a 3.9% increase to its 2025 annual budget, and a 3.8% increase to its 2026 annual budget. These steady increases reflect expected cost-of-living adjustments to personnel expenses for employees and increased costs for meetings and travel. The increases are consistent with those projected for and approved by WIEB and WIRAB. The following table shows the detailed budget projections for 2025 and 2026.

Table 6. Comparison of 2024 Budget to 2025 and 2026 Projections

BOSR - Statement of Activities and Change in Working Capital 2024 Budget and 2025 to 2026 Budget Projections							
	2024 Budget	2025 Projection	Variance 2025 Projection v 2024 Budget		2026 Projection	Variance 2026 v 2025 Projections	
			Over(Under)	% Change		Over(Under)	% Change
Funding							
Assessments	\$ 402,881	\$ 460,400	\$ 57,519	14.3%	\$ 477,500	\$ 17,100	3.7%
Interest	500	500	\$ -	100.0%	500	\$ -	
Miscellaneous	-	-	-		-	-	
TOTAL FUNDING (A)	\$ 403,381	\$ 460,900	\$ 57,519	14.3%	\$ 478,000	\$ 17,100	3.7%
Expenses							
Personnel Expenses							
Salaries	181,300	188,600	7,300	4.0%	196,100	\$ 7,500	4.0%
Payroll Taxes							
Benefits							
Retirement Costs							
Total Personnel Expenses	\$ 181,300	\$ 188,600	\$ 7,300	4.0%	\$ 196,100	\$ 7,500	4.0%
Meeting Expenses							
BOSR Meetings	\$ 15,000	\$ 15,500	\$ 500	3.3%	\$ 16,000	\$ 500	3.2%
State Travel	\$ 22,500	\$ 23,200	\$ 700	3.1%	\$ 23,900	\$ 700	3.0%
Staff Travel	\$ 15,000	\$ 15,500	\$ 500	3.3%	\$ 16,000	\$ 500	3.2%
Conference Calls	\$ -	\$ -	\$ -		\$ -	\$ -	
Total Meeting Expenses	\$ 52,500	\$ 54,200	\$ 1,700	3.2%	\$ 55,900	\$ 1,700	3.1%
Operating Expenses							
Consultants & Contracts	\$ 40,000	\$ 41,200	\$ 1,200	3.0%	\$ 42,400	\$ 1,200	2.9%
Office Rent	-	-	-	-	-	-	-
Office Costs	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total Operating Expenses	\$ 40,000	\$ 41,200	\$ 1,200	3.0%	\$ 42,400	\$ 1,200	2.9%
Total Direct Expenses	\$ 273,800	\$ 284,000	\$ 10,200	3.7%	\$ 294,400	\$ 10,400	3.7%
Indirect Expenses	\$ 172,416	\$ 179,400	\$ 6,984	4.1%	\$ 186,500	\$ 7,100	4.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
TOTAL BUDGET (B)	\$ 446,216	\$ 463,400	\$ 17,184	3.9%	\$ 480,900	\$ 17,500	3.8%
CHANGE IN WORKING CAPITAL (=A-B)¹	\$ (42,836)	\$ (2,500)			\$ (2,900)		
FTEs	2.00	2.00	-	0.0%	2.00	-	0.0%

¹ Fixed Assets included in Indirect Expenses.