

WIRAB Monthly Meeting

May 2, 2024



Introductions



Outline



WECC Activities:

WECC Update

WECC 2025 Business Plan & Budget



WIRAB Activities:

Draft WIRAB Advice on WECC 2025 Business Plan and Budget



Upcoming WIRAB Meetings

June 6, 2024 at 11:00 a.m. (MT)



WECC Update

May 2, 2024

Kris Raper
VP, Strategic Engagement &
External Affairs

Preliminary 2024 RRP

1. Aridification and associated natural events: drought, heat events, wildfires
2. Changes in load from electrification
3. Cybersecurity interruption to operations
4. Inverter-based resources
5. Lack of coordinated planning for building out resources and transmission
6. Impacts of large loads
7. Modeling quality and input validation
8. Physical damage or compromise of system assets
9. Potential effects of clean energy policies in the West
10. Supply chain

2024 RRP Next Steps

- Staff recommendations released no later than COB next Friday - May 10
 - Will be announced in WECC Weekly and available at [wecc.org](https://www.wecc.org)
- June 12, 2024: Board of Directors meeting



Electric Reliability and Security for the West

www.wecc.org



2025 Draft Budget Overview to WIRAB

May 2, 2024

WECC Executive Team

2024 Budget Context

- Recognize growing complexity and pace of change
- Ensure adequate resources to support increasing workload
- Maintain working capital reserves
- Consider inflationary and distributed workforce impacts on meetings and travel

Compliance Monitoring and Enforcement

Registration and Certification	Oversight Planning	Entity Monitoring	Enforcement and Mitigation	Program Analysis and Administration
<ul style="list-style-type: none"> • Registration • BES exception process • Functional mapping • Certification and Certification Review 	<ul style="list-style-type: none"> • Compliance Oversight Plans • Coordination with Entity Monitoring on scoping • Entity internal compliance program assessments 	<ul style="list-style-type: none"> • Compliance Monitoring (audits, spots checks, self-certification, periodic data submittals, and investigations) • Compliance review of events • Subject Matter Expert review on SARs and standards under development 	<ul style="list-style-type: none"> • Review and validate potential noncompliance • Settlement activities • Noncompliance disposition • Self-Logging program 	<ul style="list-style-type: none"> • CMEP activity coordination • Multi-Regional Registered Entity Program for Coordinated Oversight • Document control • Metrics and trend reporting • Align implementation, outreach, and training

Reliability Assessment and Performance Analysis

Risk Analysis & Data Services	Reliability Assessments	Reliability Modeling	Operations Analysis
<ul style="list-style-type: none"> • Risk identification and mitigation management • Regional risk analysis • Entity risk assessment • ERO data collection efforts (e.g., GADS) • Data trending and analysis • Data visualization • Data management 	<ul style="list-style-type: none"> • ERO reliability assessments • Resource adequacy • Transmission congestion and transfer capability • Contingency analysis • Scenario analysis • Industry resource and transmission planning awareness • Planning services (e.g., Path Rating Process) 	<ul style="list-style-type: none"> • Power flow and dynamics data • Production cost models • Loads and resources (RA) • Short-circuit data • EMT modeling • Model and tool enhancements • Model validation 	<ul style="list-style-type: none"> • Event analysis • Situation awareness • Performance analysis • Infrastructure security • Assurance visits and operational coordination

2025 Budget Overview

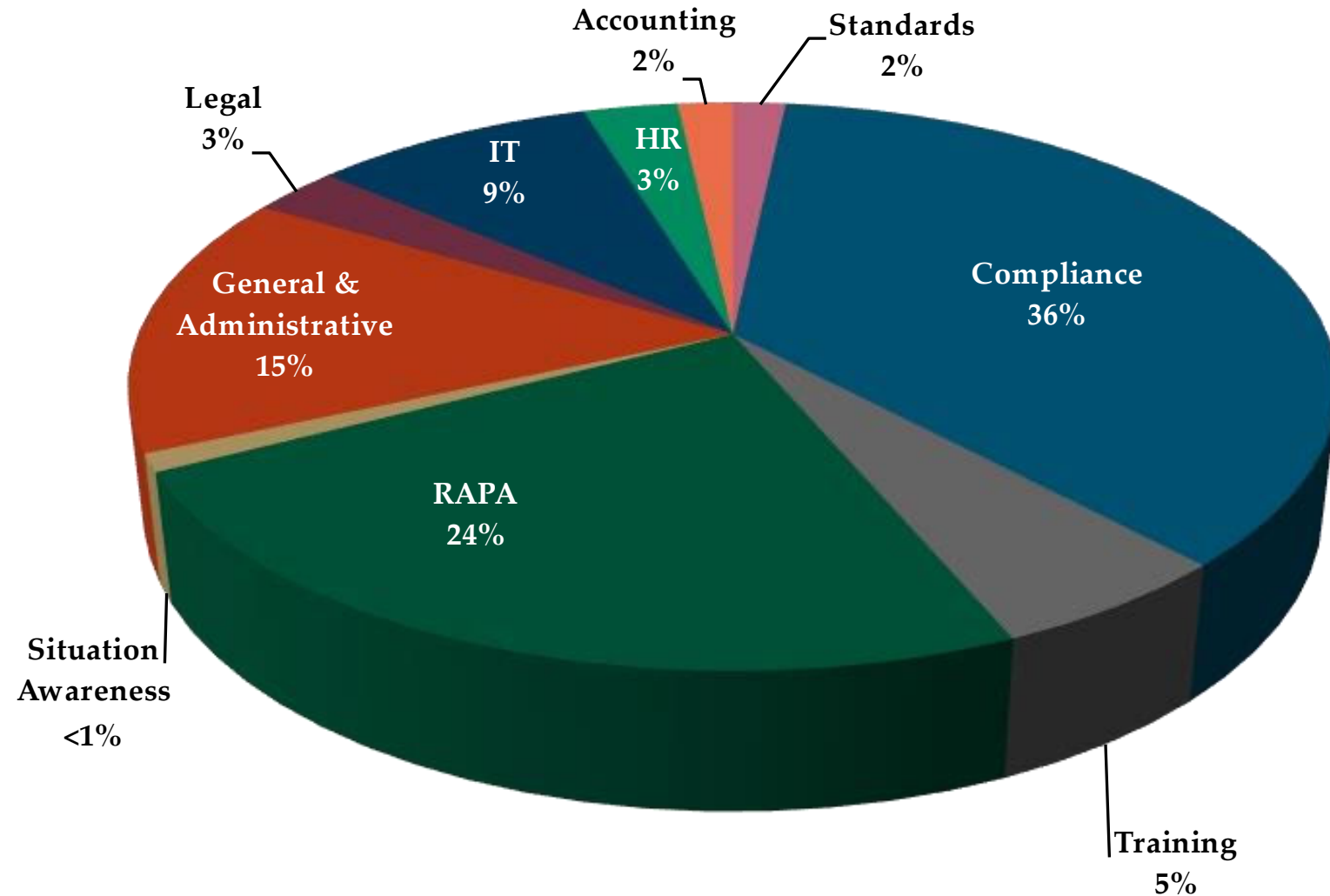
- Budget increase—\$4.3 million (12.2%)
 - Budget total—\$39.7 million
- 7 additional statutory FTE
 - 4 in CMEP, 1 in RAPA, 1 in IT, 1 in Training & Outreach
- Assessments increase—\$9 million (36%)
 - Assessments total—\$34.0 million
- Penalties collected and released—\$4K

2024 to 2025 Budget Comparison

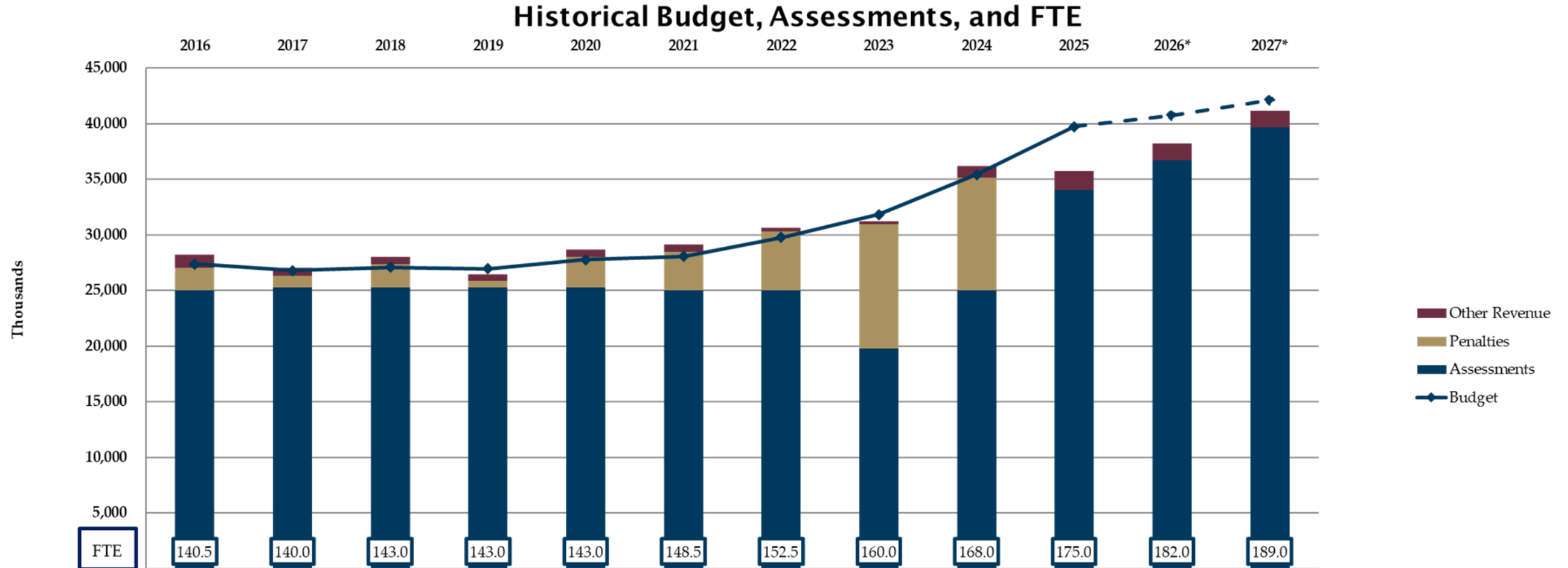
	2024 Budget	2025 Budget	Variance \$ Incr(Decr)	Variance % Incr(Decr)	Primary Drivers
Funding					
Assessments	\$ 25,000,000	\$ 34,000,000	\$ 9,000,000	36.0%	Increase in budget, decrease in penalties
Penalties	10,137,948	4,400	(10,133,548)	-100.0%	Minimal penalties collected
Other Income	1,075,250	1,703,541	628,291	58.4%	Higher interest rates, sublease income
Total Funding	\$ 36,213,198	\$ 35,707,941	\$ (505,257)	-1.4%	
Expenses					
Personnel Expenses	\$ 28,895,986	\$ 31,514,167	\$ 2,618,181	9.1%	7 FTE, 3% merit/1% Equity pools, labor float adj, refined tax/benefit rates
Meeting Expenses	1,353,934	1,697,461	343,527	25.4%	Additional Travel, Inflationary impacts, increases in FTE, and on-site requirements for oversight activities
Operating Expenses	6,008,620	7,502,719	1,494,099	24.9%	Peak donation project with WPP
Indirect Expenses	(980,785)	(1,149,200)	(168,415)	17.2%	
Total Expenses	\$ 35,277,755	\$ 39,565,147	\$ 4,287,392	12.2%	
Fixed Assets	\$ 127,040	\$ 150,713	\$ 23,673	18.6%	Server, storage, and data center upgrades
Total Budget	\$ 35,404,795	\$ 39,715,860	\$ 4,311,065	12.2%	
Change in Working Capital	\$ 808,403	\$ (4,007,919)	\$ (4,816,322)		
FTEs	168.0	175.0	7.0	4.2%	

¹ Depreciation excluded from these values

Budget Percentage by Program Area



Historical Budget and Funding Sources



Peak Donation Project and Reserves

- Western Power Pool/WestTEC effort
- Two-year project—March 2024 through February 2026
- Actionable long-term transmission plan to benefit Western stakeholders
- Proposed approximate use of Peak Reliability Donation funds
 - \$500K in 2024
 - \$1.5M in 2025
 - \$200K in 2026

Mexico Assessments

Next Steps

- April 26—May 17 stakeholder comment period
- May 13—stakeholder overview webinar
- June 12—Board of Directors meeting
- August—NERC BOT; FERC filing
- October—FERC Order anticipated
- November 15—2025 Assessment invoices distributed



Proposed WIRAB Advice: WECC 2024 Business Plan & Budget



WIRAB should support WECC's proposal to augment the Compliance Monitoring and Enforcement Program (CMEP) by adding 4.0 FTEs.

- This strategic increase in staffing is essential to ensure that the program area can effectively address the growing workload associated with CMEP activities.

WIRAB should support WECC's initiative to strengthen its Reliability Assessment and Performance Analysis (RAPA) program area by adding 1.0 FTE

- This strategic increase in staffing is essential to ensure that the program area can add specialized expertise in electromagnetic transient (EMT) modeling.

Proposed WIRAB Advice Continued



WIRAB should support WECC's proposed addition of 1.0 FTE to its Training and Outreach program area.

- This will enable WECC to stay abreast of emerging policy issues and respond effectively to policy drivers, strengthening its connection with policymakers and addressing potential impacts on grid reliability.

WIRAB should support WECC's proposal to increase its Information Technology department by 1.0 FTE.

- This will provide cloud security expertise at WECC necessary to meet the rising deployment of cloud-based applications across the organization.

Proposed WIRAB Advice Continued



WIRAB should support the allocation of Peak Reliability Donation Funds to contribute to the financing of the Western Power Pool's (WPP) Western Transmission Expansion Coalition (WestTEC) initiative.

- WECC's direct engagement will ensure that the WestTEC initiative adheres to principles of transparency, independence, and inclusivity, with due consideration for interconnection-wide transmission planning perspectives.

WIRAB should support the proposed Statutory Assessment of \$34 million, a \$9 million (36 percent) increase over the 2024 assessment.

- It appropriately funds WECC's operations and does not artificially cap the organization's business plan and budget.

Proposed WIRAB Advice Continued



Following review, WIRAB finds the proposed statutory budget and assessment for 2025 to be in the public interest and advises that the WECC Board approve WECC's 2025 Business Plan and Budget and Assessment.



WIRAB also advises that WECC proactively notify the LSEs who pay WECC Assessments regarding the approximate impact of their Assessment in 2025.

WIRAB Advice: Next Steps



May 16, 2024

WIRAB comments, feedback and approval due to WIRAB Staff



May 17, 2024

WECC comment period closes
Submit WIRAB Advices



June 12, 2024

WECC Board meeting for final WIRAB
Comment and WECC Board approval of BP&B

Upcoming Meetings



WIRAB Monthly Meeting

First Thursday of the Month

Next Meeting: June 6, 2024 at 11:00 AM MT

Fall 2024 Joint CREPC-WIRAB Meeting

October 22-24 in San Diego, CA

www.westernenergyboard.org

Thank You!

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