



Western Energy Markets Body of State Regulators

2026 Business Plan and Budget

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

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Introduction

The Western Energy Markets (WEM) Body of State Regulators' (BOSR) proposed budget for 2026 is \$467,283. This amount is a \$10,418 (2.3%) increase over the BOSR's approved 2025 budget. There are several factors driving this increase: 1) Direct labor increase of \$6,090 or 3.2% due a 0.05 FTE increase, 2) Meeting expense increase of \$5,000 or 50% due to rising meeting needs and costs and, 3) Indirect expense increase of \$9,328 or 5.1% due to an increase in direct labor and an increase in WIEB's indirect rate from 95% in 2025 to 96.8% in 2026.

The BOSR's projected working capital reserve on December 31, 2025, is \$91,194. The BOSR's targeted working capital reserve on December 31, 2026, is \$23,364, which is equal to 5% of the proposed budget. The difference of \$67,830 will be used to reduce the 2026 funding assessment. Therefore, the BOSR total funding assessment for 2026 is \$395,453. This is \$64,264 (19.4%) higher than the funding amount in the BOSR's approved 2025 budget. This year's assessment increase is primarily driven by an adjustment to stabilize future assessments, following a significant \$71,692 (17.8%) decrease in the previous year's assessments. In addition, there are modest increases in labor, meeting, and indirect expenses, attributed to inflation, expanded activities, and staffing changes. Strategically, the BOSR is using excess reserves to help mitigate the impact of increased funding needs while maintaining financial stability and addressing necessary cost increases.

The following table summarizes the BOSR's proposed budget for 2026.

Table 1. BOSR Budget for 2026

BOSR - Total Resources	2026
Total FTEs	2.25
Total Expenses	\$ 467,283
Targeted Working Capital Reserve	\$ 23,364
Total Funding Requirement	\$ 490,647
Projected Working Capital Reserve	\$ 91,194
Increase or (Decrease) to Achieve Desired Working Capital Reserve	\$ (67,830)
2026 Funding Requirement	\$ 399,453
Less: 2026 Interest Income	\$ (4,000)
Total 2026 Funding Assessment	\$ 395,453

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 Western Energy Imbalance Market (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 2026.

Table 2. BOSR Funding Allocation by State for 2026

State	Funding Assessment
Arizona	\$46,221.74
California	\$46,221.74
Idaho	\$46,221.74
Montana	\$17,975.12
Nevada	\$46,221.74
New Mexico	\$17,975.12
Oregon	\$46,221.74
Texas	\$17,975.12
Utah	\$46,221.74
Washington	\$46,221.74
Wyoming	\$17,975.12
TOTAL	\$395,453

Organizational Overview

The BOSR was established in September of 2015, as a part of the governance proposal adopted by the California Independent System Operator (ISO) Board of Governors to address the regional nature of its Western Energy Imbalance Market (WEIM), or real-time market. The BOSR provides a forum for state commissioners to (1) select a voting member of the WEM Governing Body Nominating Committee, (2) learn about and discuss the WEIM and Extended Day-Ahead Market (EDAM), and (3) express a common position in ISO stakeholder processes or to the WEM Governing Body on WEIM or EDAM 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 and operational resources 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 (WRAP) Committee of State Representatives (COSR) and the Southwest Power Pool (SPP) Markets+ States Committee (MSC). The COSR is an organization comprised of one representative from each state with a utility participating in the WRAP. The 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, BOSR, COSR, and MSC are independent sister organizations that share staff and operational resources but maintain independent governance and decision-making. The following chart illustrates the relationships between the organizations.

Figure 1. Organizational Relationships

Western Interstate Energy Board (WIEB) - 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."	Western Interconnection Regional Advisory Body (WIRAB) - 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.	Western EM Body of State Regulators (WEM-BOSR) - Created by California ISO Board of Governors to address the regional nature of the Western Energy Market (WEM). - One commissioner from each state public utilities commission in which a regulated load-serving utility participates or plans to participate in the Western EM. - Provides a forum for state commissioners to: (1) select a voting member of the WEM Governing Body Nominating Committee, (2) learn about and discuss the EM and CAISO markets, and (3) express a common position to the WEM Governing Body on EM issues.	Western RA Program Committee of State Representatives (COSR) - 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.	Markets+ State Committee (MSC) - Created in partnership with the Southwest Power Pool to provide Western state perspectives on Markets+. - During the initial development of Markets+, 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 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, SD, TX, UT, WA, WY) have appointed members to the BOSR. South Dakota will begin formally participating in 2026 and has been invited to participate in BOSR business and is expected to pay dues beginning January 1, 2027. 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	Vacant	
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
South Dakota	Gary Hanson	Chairman, South Dakota Public Utilities Commission
Texas	Vacant	
Utah	John Harvey	Chair, Utah Public Service Commission
Washington	Milt Doumit	Commissioner, Washington Utilities & Transportation Commission
Wyoming	Michael Robinson	Commissioner, Wyoming Public Service Commission

2026 Strategic Priorities and Goals

In June of 2025, the Federal Energy Regulatory Commission (FERC) approved ISO's tariff filing for its Extended Day-Ahead Market (EDAM) design in its entirety. As the WEIM continues to evolve and the EDAM implementation is underway, 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 BOSR aims in 2026 to work with its staff to:

- Advance education and understanding among western commissioners regarding ISO initiatives and its 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:
 - o Organizing two in-person BOSR meetings;
 - o Holding monthly remote BOSR meetings; and
 - o Organizing other meetings, as necessary.
- Support the BOSR members' effective engagement in relevant ISO processes by:
 - o Tracking and participating in the ISO initiatives most relevant to the BOSR, including those that relate to policy, market design, or governance. Active and upcoming initiatives that BOSR plans to track and participate in include, but is not limited to, Extended Day-Ahead Market-related initiatives, Greenhouse Gas Coordination, Price Formation Enhancements, Resource Adequacy Modeling and Program Design, and Resource Sufficiency Evaluation Enhancements.
 - o Arranging or providing briefings and training on policy and technical matters.
 - o Further developing internal technical expertise.
 - o Facilitating BOSR members' consideration of potential consensus positions relevant to ISO initiatives.
 - o Provide wholesale electricity market training.

- Support the BOSR members' effective engagement in related regional market expansion efforts such as the West-Wide Governance Pathways Initiative.
- Engage with key stakeholders across the Western U.S., including the ISO Department of Market Monitoring, the Market Surveillance Committee, as well as regulators, policymakers, and market operators from other regions, such as regional states committees and organized markets. Additionally, collaborate with national partners, including the Department of Energy (DOE) and FERC.

2026 Budget and Assumptions

The BOSR proposed budget for 2026 is \$467,283. The budget is based upon employment of 2.25 FTEs in 2026. The BOSR's projected working capital reserve on December 31, 2025, is \$91,194, which is equal to 20% of the 2025 budget. The BOSR's projected working capital reserve on December 31, 2026, is \$23,364 which is equal to 5% of the proposed budget. The BOSR total funding assessment for 2026 is \$395,453. This includes the use of working capital reserves in the amount of \$67,830 and \$4,000 in projected interest income to reduce the total funding requirement.

The BOSR 2026 budget is based on the following key assumptions:

- The BOSR will hold two in-person meetings—the Spring 2026 BOSR Meeting and Fall 2026 BOSR Meeting—that are typically held in conjunction with other state meetings WIEB provides staff support for.
- A BOSR representative will participate in all ISO WEM Governing Body meetings.
- BOSR members will participate in selected ISO meetings and workshops on relevant topics.
- The BOSR leadership will visit FERC in its offices in Fall/Winter 2026.
- 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 2026.

Personnel and Indirect Expenses

Personnel expenses in the BOSR's budget total \$196,790 for a total of 2.25 FTEs. The FTE breakdown is allocated to 0.90 FTE to the Program Manager – Wholesale Electricity Markets, 0.90 FTE to the Analyst – Wholesale Energy Markets, 0.10 FTE to the Executive Director, 0.10 FTE to the Director of State, Federal, and International Affairs, 0.05 to the Deputy Director, and 0.20 to the Events and Communications Manager. 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 used to allocate a portion of overhead expenses associated with BOSR activities in proportion to their total direct labor expense. The indirect rate is 96.8% in the 2026 budget. This is a 1.8% rate increase from the 2025 budget. WIEB's indirect rate increase is mainly driven by the addition of 1 FTE in fiscal year 2026.

Table 3 shows personnel and indirect expenses per FTE for the BOSR's first proposed budget.

Table 3. Personnel and Indirect Expense Analysis, 2026

Personnel and Indirect Expense Analysis 2025 & 2026						
	Budget 2025	Projection 2025	Budget 2026	Variance 2026 Budget v 2025 Budget	Variance %	
Salary Expense	\$ 190,700	\$ 200,382	\$ 196,790	\$ 6,090	3.2%	
FTEs	2.00	2.00	2.25	0.25	12.5%	
Cost per FTE	\$ 95,350	\$ 95,350	\$ 87,462	\$ (7,888)	-8.3%	
Indirect Rate	95.0%	95.9%	96.8%		1.8%	
Indirect Expense	\$ 181,165	\$ 192,166	\$ 190,493	\$ 9,328	5.1%	
FTEs	2.00	2.00	2.25	0.25	12.5%	
Cost per FTE	\$ 90,583	\$ 90,583	\$ 84,663	\$ (5,919)	-6.5%	

Meeting Expense

Meeting costs in the 2026 budget total \$15,000, which is an increase of \$5,000 (50%) from 2025 to adjust for historical and continued rising costs in hotel venue space, meeting planning activities, and audio-visual services. The BOSR holds two in-person meetings per year that include participation by state and provincial representatives. In 2026, the BOSR will hold two in-person meetings, one in Spring 2026 and another in Fall 2026. 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 WEIM- and EDAM-related issues, as well as other relevant Western market- and governance-related matters.

Travel Expense

Travel costs total \$30,000, which remains flat from 2025. In 2026, it's estimated that BOSR members will make up to 11 trips, as needed, to attend in-person meetings at the ISO, the markets training, and other appropriate in-person meetings that relate to the Body, which accounts for \$20,000. BOSR staff will make at least eight trips to attend in-person meetings, which account for \$10,000 in travel expenses.

Consultants and Training

The budget includes \$35,000 in contract funding for electricity market training for BOSR members and state regulatory staff. This reflects a \$10,000 (25%) reduction from the 2025 budget, as the number of annual training courses is being reduced from two to one to better reflect demand and the additional regional market trainings offered through WIEB. The BOSR will continue to engage the Program on Energy and Sustainable Development at Stanford University to provide its game-based electricity market simulation training. The game-based training provides BOSR members and staff "hands-on" familiarity with market mechanisms and concepts that are difficult to gain from more theoretical lectures. We envision one in-person training session in 2026 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. The budget also includes staff

training to further develop internal technical expertise.

Budget Comparison

The projection of actual 2025 expenses is \$453,548, which is \$3,317 (0.7%) less than the authorized 2025 budget amount of \$456,865. The main driver of the net variance, or budget underspend, between actual expenses and budgeted expenses is attributable to a decrease in consulting expenses in the amount of \$20,000. This is due to only one of two in-person market training sessions held in 2025. Additional small overages and underspending in other categories attribute to the net decrease.

Table 4. Budget Comparison, 2025 to 2026

BOSR - Statement of Activities and Change in Working Capital 2025 Budget & Projection, and 2026 Budget								
		Variance 2025 Projection v 2025 Budget				Variance 2026 Budget v 2025 Budget		
		2025 Budget	2025 Projection	Over(Under)	% Change	2026 Budget	Over(Under)	% Change
Funding								
	Assessments	\$ 331,188	\$ 331,188	\$ -	0.0%	\$ 395,452	\$ 64,264	19.4%
	Interest	500	6,000	\$ 5,500		4,000	\$ 3,500	
	Miscellaneous	-	-	-		-	-	
TOTAL FUNDING (A)		\$ 331,688	\$ 337,188	\$ 5,500	1.7%	\$ 399,452	\$ 67,764	20.4%
Expenses								
Personnel Expenses								
	Direct Labor	190,700	200,382	9,682	5.1%	196,790	\$ 6,090	3.2%
							-	
Total Personnel Expenses		\$ 190,700	\$ 200,382	\$ 9,682	5.1%	\$ 196,790	\$ 6,090	3.2%
Meeting Expenses								
	BOSR Meetings	\$ 10,000	\$ 10,000	\$ -	0.0%	\$ 15,000	\$ 5,000	50.0%
	State Travel	15,000	\$ 15,000	\$ -	0.0%	20,000	\$ 5,000	33.3%
	Staff Travel	15,000	\$ 11,000	\$ (4,000)	-26.7%	10,000	\$ (5,000)	-33.3%
Total Meeting Expenses		\$ 40,000	\$ 36,000	\$ (4,000)	-10.0%	\$ 45,000	\$ 5,000	12.5%
Operating Expenses								
	Consultants & Contracts	\$ 40,000	\$ 20,000	\$ (20,000)	-50.0%	\$ 30,000	\$ (10,000)	-25.0%
	Staff Training	5,000	5,000	\$ -		5,000	\$ -	0.0%
Total Operating Expenses		\$ 45,000	\$ 25,000	\$ (20,000)	-44.4%	\$ 35,000	\$ (10,000)	-22.2%
Total Direct Expenses		\$ 275,700	\$ 261,382	\$ (14,318)	-5.2%	\$ 276,790	\$ 1,090	0.4%
Indirect Expenses		\$ 181,165	\$ 192,166	\$ 11,001	6.1%	\$ 190,493	\$ 9,328	5.1%
Other Non-Operating Expenses		\$ -	\$ -	\$ -		\$ -	\$ -	
TOTAL BUDGET (B)		\$ 456,865	\$ 453,548	\$ (3,317)	-0.7%	\$ 467,283	\$ 10,418	2.3%
CHANGE IN WORKING CAPITAL (=A-B) ¹		\$ (125,177)	\$ (116,360)	\$ 8,817		\$ (67,831)	\$ 57,346	
FTEs								
		2.20	2.20	-	0.0%	2.25	0.05	2.3%

Working Capital Reserve

The BOSR projects a working capital reserve on December 31, 2025, of \$91,194 (20%), as compared to a targeted working capital reserve on December 31, 2026, of \$23,364 (5%). The reserves are intended to provide for unexpected expenses or losses. The reduction in working capital reserve from 20% to 5% is a proactive step to promote financial stabilization and optimize working capital management to avoid significant swings in future funding requirements. While the BOSR's working capital reserve position is sufficient to ensure continued operational stability, 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. The following table shows the BOSR's analysis of its working capital reserves.

Table 5. Working Capital Reserve Analysis, 2026

Working Capital Reserve Analysis 2026	
Beginning Working Capital Reserve (Deficit), December 31, 2024	207,555
Plus: 2025 Funding (from LSEs or designees)	331,188
Plus: 2025 Interest Income	6,000
Minus: 2025 Projected expenses & capital expenditures	(453,548)
Projected Working Capital Reserve (Deficit), December 31, 2025	91,194
Targeted Working Capital Reserve, December 31, 2026¹	23,364
Minus: Projected Working Capital Reserve, December 31, 2025	(91,194)
Increase(decrease) in funding requirement to achieve Working Capital Reserve	(67,830)
2026 Expenses and Capital Expenditures	467,283
Less: 2026 Interest Income	(4,000)
Adjustment: To achieve targeted Working Capital Reserve	(67,830)
2026 BOSR Assessment	395,453

Budget Projections for 2027 & 2028

The BOSR projects a 3.9% increase to its 2027 annual budget, and a 3.9% increase to its 2028 annual budget. These steady increases reflect expected cost-of-living adjustments to personnel expenses for employees. The increases are consistent with those projected for and approved by WIEB and WIRAB. The following table shows the detailed budget projections for 2027 and 2028.

Table 6. Comparison of 2026 Budget to 2027 and 2028 Projections

**BOSR - Statement of Activities and Change in Working Capital
2026 - 2028 Budget Projections**

	2026 Budget	2027 Projection	Variance 2027 Projection v 2026 Budget		2028 Projection	Variance 2028 v 2027 Projections	
			Over(Under)	% Change		Over(Under)	% Change
Funding							
Assessments	\$ 395,452	\$ 488,054	\$ 92,602	23.4%	\$ 513,202	\$ 25,148	5.2%
Interest	4,000	3,000	\$ (1,000)	-25.0%	2,000	\$ (1,000)	-33.3%
TOTAL FUNDING (A)	\$ 399,452	\$ 491,054	\$ 91,602	22.9%	\$ 515,202	\$ 24,148	4.9%
Expenses							
Personnel Expenses							
Direct Labor	196,790	204,700	7,910	4.0%	212,900	\$ 8,200	4.0%
Total Personnel Expenses	\$ 196,790	\$ 204,700	\$ 7,910	4.0%	\$ 212,900	\$ 8,200	4.0%
Meeting Expenses							
BOSR Meetings	\$ 15,000	\$ 15,500	\$ 500	3.3%	\$ 16,000	\$ 500	3.2%
State Travel	\$ 20,000	\$ 20,600	\$ 600	3.0%	\$ 21,200	\$ 600	2.9%
Staff Travel	\$ 10,000	\$ 10,300	\$ 300	3.0%	\$ 10,600	\$ 300	2.9%
Total Meeting Expenses	\$ 45,000	\$ 46,400	\$ 1,400	3.1%	\$ 47,800	\$ 1,400	3.0%
Operating Expenses							
Consultants & Contracts	\$ 30,000	\$ 30,900	\$ 900	3.0%	\$ 31,800	\$ 900	2.9%
Staff Training	5,000	5,200	\$ 200	4.0%	\$ 5,400	\$ 200	3.8%
Total Operating Expenses	\$ 35,000	\$ 36,100	\$ 1,100	3.1%	\$ 37,200	\$ 1,100	3.0%
Total Direct Expenses	\$ 276,790	\$ 287,200	\$ 10,410	3.8%	\$ 297,900	\$ 10,700	3.7%
Indirect Expenses	\$ 190,493	\$ 198,100	\$ 7,607	4.0%	\$ 206,100	\$ 8,000	4.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
TOTAL BUDGET (B)	\$ 467,283	\$ 485,300	\$ 18,017	3.9%	\$ 504,000	\$ 18,700	3.9%
CHANGE IN WORKING CAPITAL (=A-B)¹	\$ (67,831)	\$ 5,754			\$ 11,202		
FTEs	2.25	2.25	-	0.0%	2.25	-	0.0%

¹ Fixed Assets included in Indirect Expenses.