

Western Energy Markets
Body of State Regulators

2027 Business Plan and Budget

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Approved by:
Appointed Members of the
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Introduction

The Western Energy Markets (WEM) Body of State Regulators' (BOSR) proposed budget for 2027 is $637,513. This amount is a $170,230 (36.4%) increase over the BOSR's approved 2026 budget. The main factor driving this increase is annual contractual expenses for consultants to accommodate the continued growth in the volume and complexity of BOSR's work. As EDAM implementation progresses, BOSR expects increased engagement on EDAM, WEIM, and related CAISO market and governance matters, requiring additional capacity and specialized expertise.

The BOSR's projected working capital reserve on December 31, 2026, is $53,712. The BOSR's targeted working capital reserve on December 31, 2027, is $31,876 which is equal to 5% of the proposed budget. The difference of $21,836 will be used to reduce 2027 funding assessment. Therefore, the BOSR total funding assessment for 2027 is $611,676. This is $216,224 (54.7%) higher than the funding amount in the BOSR's approved 2026 budget. This year's assessment increase is primarily attributable to a $170,230 increase in the total budget, consisting of an additional $150,000 in contractual expenses for consultants and $20,230 in additional labor and indirect costs. In addition, the target working capital reserves, established at 5% of the total budget, have been increased proportionately to reflect the overall budget increase. The proposed increase in contractual expenses will support approximately $180,000 in annual contractual expenses for consultants to assist with technical analysis, stakeholder engagement, and other work associated with the BOSR. The additional funding will enable BOSR to maintain effective and timely engagement in regional electricity market policy and governance initiatives as its workload and responsibilities increase in scope and complexity.

The following table summarizes the BOSR's proposed budget for 2027.

Table 1. BOSR Budget for 2027

BOSR - Total Resources	2027
Total FTEs	2.20
Total Expenses	$ 637,513
Targeted Working Capital Reserve	$ 31,876
Total Funding Requirement	$ 669,388
Projected Working Capital Reserve	$ 53,712
Increase or (Decrease) to Achieve Desired Working Capital Reserve	$ (21,836)
2027 Funding Requirement	$ 615,676
Less: 2027 Interest Income	$ (4,000)
Total 2027 Funding Assessment	$ 611,676

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 2027.

Table 2. BOSR Funding Allocation by State for 2027

State	2027 Funding Assessment
Arizona	$69,177.66
California	$69,177.66
Idaho	$69,177.66
Montana	$25,486.50
Nevada	$69,177.66
New Mexico	$25,486.50
Oregon	$69,177.66
South Dakota	$25,486.50
Texas	$25,486.50
Utah	$69,177.66
Washington	$69,177.66
Wyoming	$25,486.50
TOTAL	**$611,676**

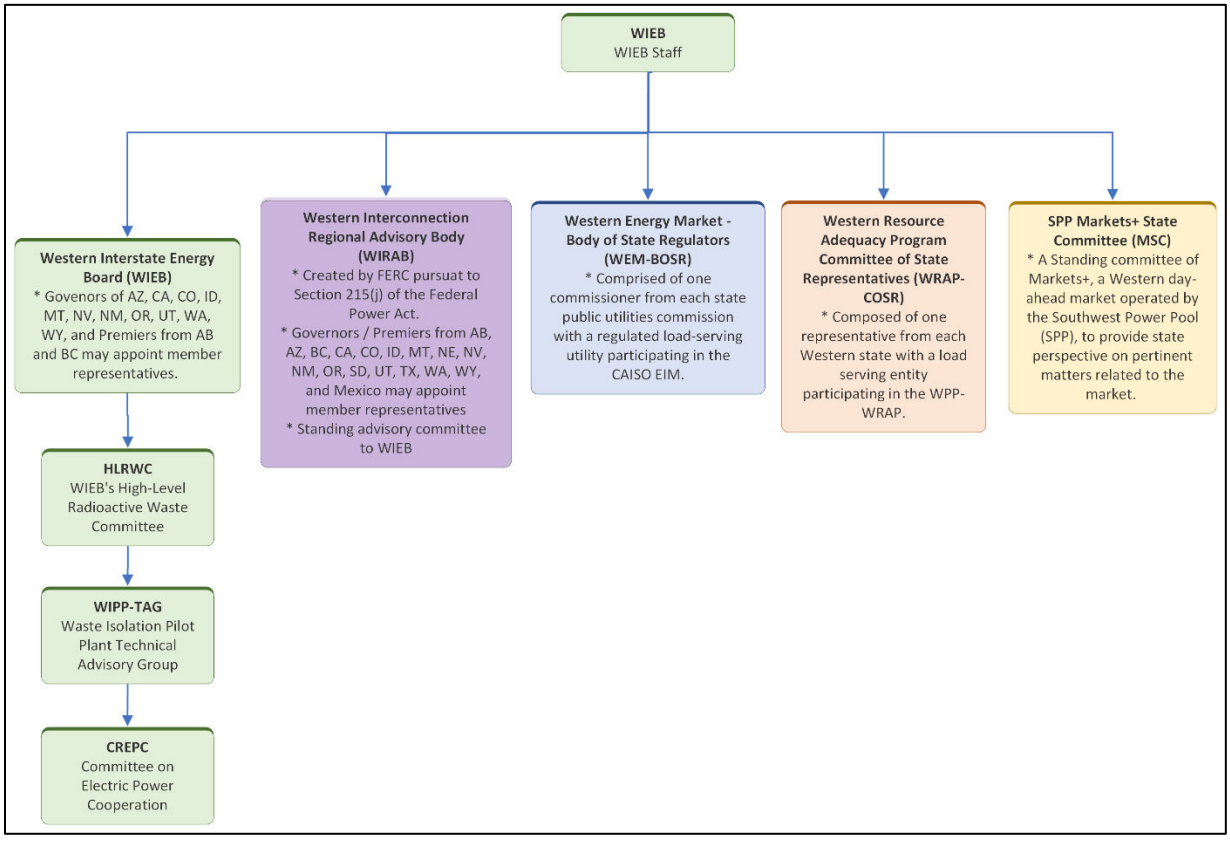
Organizational Overview

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 resources with four (4) other regional committees: the Committee on Regional Electric Power Cooperation (CREPC), the Western Interconnection Regional Advisory Body (WIRAB), the Western Power Pool's Western Resource Adequacy Program (WRAP) Committee of State Representatives (COSR), and the Southwest Power Pool Markets+ State Committee. The CREPC was established in 1982 as a joint committee of WIEB and the Western Conference of Public Service Commissioners (WCPSC) to focus on electric power system policy issues that require regional cooperation in the West. The WIRAB was established by FERC in 2006 upon petition of the Western Governors to advise on matters pertaining to electric grid reliability in the Western Interconnection. The BOSR was established in 2015 as part of a governance proposal adopted by the California Independent System Operator (CAISO) Board of Governors to address the regional nature of its energy market and support state engagement in CAISO developments. COSR was created in 2023 with the approval of the WRAP tariff by FERC to address resource adequacy issues in the West and support the development of a resource adequacy program. The MSC was established in April 2023 in accordance with the governance structure of Markets+ and its purpose is to effectively engage state members in the development and operation of

Markets+. WIEB, CREPC, WIRAB, BOSR, COSR, and the MSC are independent sister organizations that share operational resources but maintain independent governance, decision-making, and funding.

Figure 1. Organizational Relationships



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, and WY) have appointed members to the BOSR. South Dakota formally began participating in 2026 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	Karin Power	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

2027 Strategic Priorities and Goals

With the implementation of the Extended Day-Ahead Market (EDAM) underway, the WEIM continuing to evolve, and new initiatives under development that will impact the BOSR in the future, ongoing, informed regulator engagement on regional market operations, market design, governance, and emerging developments are crucial to supporting efficient, reliable, and sustainable markets that deliver public benefits. In 2027, the BOSR aims to work with its staff to:

- Advance education and understanding among western public utility commissioners regarding CAISO 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:

  - Organizing two in-person BOSR meetings;
  - Holding monthly virtual BOSR meetings; and
  - Organizing other meetings, as necessary.
- Support effective engagement in relevant ISO processes by:
  - 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, EDAM-related initiatives such as the EDAM Congestion Revenue Allocation and Price Formation Enhancements.
  - 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 ISO initiatives.
  - Provide wholesale electricity market training.
- Support effective engagement in the creation and implementation of the Regional Organization for Western Energy (ROWE).
- Montior and engage, as appropriate, on emerging seams between CAISO and neighboring balancing areas and regional markets with a focus on supporting reliable and cost-effective regional market integration.
- Monitor and engage, as appropriate, in regional transmission planning and development efforts to promote appropriate cost allocation.
- Engage in the development of the EDAM Resource Adequacy program, which is being developed outside the CAISO stakeholder workgroup and will ultimately have implications for ROWE.
- Engage with key stakeholders across the Western U.S., including the CAISO's Department of Market Monitoring, the Market Surveillance Committee, other state and

regional committees, regulators, policymakers, and market operators on issues relevant to BOSR. Additionally, collaborate with national partners, including the Department of Energy (DOE) and FERC.

2027 Budget and Assumptions

The BOSR's proposed budget for 2027 is $637,513. The budget is based upon employment of 2.20 FTEs in 2027 and costs associated with increased capacity through contracted consultants. The BOSR's projected working capital reserve on December 31, 2026, is $53,712, which is equal to 11.5% of the 2026 budget. The BOSR's projected working capital reserve on December 31, 2027, is $31,876, which is equal to 5% of the proposed budget. The BOSR total funding assessment for 2027 is $611,676. This includes the use of working capital reserves in the amount of $21,836 and $4,000 in projected interest income to reduce the total funding requirement.

The BOSR 2027 budget is based on the following key assumptions:

- The BOSR will hold two in-person meetings—the Spring 2027 BOSR Meeting and Fall 2027 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 2027.
- The BOSR will provide market training for BOSR members and staff in 2027.
- The BOSR will incorporate contractual expenses for consultants to assist with technical analysis, stakeholder engagement, and other work of the BOSR.

Personnel and Indirect Expenses

Personnel expenses in the BOSR's budget total $210,492 for a total of 2.20 FTEs. This is an increase of $13,702 or 7% over the 2026 budget. This is primarily driven by the standard annual cost of living and merit increase of 4% and personnel allocation changes in 2027. 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 to the Deputy Director, 0.05 FTE to the Director of State, Federal, and International Affairs, and 0.15 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. In addition, the salaries of two full-time employees, the Director of Finance and Administration, and the Office Manager, are included in indirect expenses. 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 for the 2027 budget is 93.6%, representing a 1.4% decrease from the 2026 budget. This reduction is attributable to the increase in direct labor costs exceeding the increase in overhead expenses, driven by an expansion of WIEB staffing from 14 FTEs to 15 FTEs in FY2027.

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

Table 3. Personnel and Indirect Expense Analysis, 2027

Personnel and Indirect Expense Analysis 2026 & 2027					
	Budget 2026	Projection 2026	Budget 2027	Variance 2027 Budget v 2026 Budget	Variance %
Salary Expense	$ 196,790	$ 196,790	$ 210,492	$ 13,702	7.0%
FTEs	2.25	2.25	2.20	(0.05)	-2.2%
Cost per FTE	$ 87,462	$ 87,462	$ 95,678	$ 8,216	9.4%
Indirect Rate	95.0%	95.0%	93.6%		-1.4%
Indirect Expense	$ 190,493	$ 185,573	$ 197,021	$ 6,528	3.4%
FTEs	2.25	2.25	2.20	(0.05)	-2.2%
Cost per FTE	$ 84,663	$ 84,663	$ 89,555	$ 4,891	5.8%

Meeting Expense

Meeting costs in the 2027 budget total $15,000, which remain flat from 2026. The BOSR holds two in-person meetings per year that include participation by state and provincial representatives. In 2027, the BOSR will hold two in-person meetings, one in Spring 2027 and another in Fall 2027. Wherever feasible, BOSR meetings will be coordinated with other meetings of the Western states and provinces. The BOSR also conducts monthly virtual meetings 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, such as developments in the ROWE.

Travel Expense

Travel costs total $30,000, which remains flat from 2026. In 2027, it's estimated that BOSR members will make up to 11 trips, as needed, to attend in-person meetings at the ISO, the market training, and other appropriate in-person meetings that relate to the BOSR, 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 $180,000 in contract funding, as well as $5,000 for staff training to further develop internal technical expertise. This is a $150,000 or 500% increase over 2026 driven by the additional contractual support for the anticipated growth in the volume and complexity of the regional market in 2027 and beyond. BOSR expects increased engagement on EDAM, WEIM, and related market and governance matters. The proposed increase in annual consultant funding will provide BOSR with technical analysis, stakeholder engagement, and other support necessary to address these growing demands. This additional funding will better position BOSR to maintain effective and timely engagement as its workload and responsibilities continue to evolve.

Budget Comparison

The projection of actual 2026 expenses are $467,283, which aligns with the approved budget and indicates that expenses are tracking as expected, with no significant variances.

Table 4. Budget Comparison, 2026 to 2027

BOSR - Statement of Activities and Change in Working Capital 2026 Budget & Projection, and 2027 Budget	2026 Budget	2026 Projection	Variance 2026 Projection v 2026 Budget Over(Under)	% Change	2027 Budget	Variance 2027 Budget v 2026 Budget Over(Under)	% Change
Funding							
Assessments	$ 395,452	$ 395,452	$ -	0.0%	$ 611,676	$ 216,224	54.7%
Interest	4,000	6,000	$ 2,000		4,000	$ -	
Miscellaneous	-	-	-		-	-	
TOTAL FUNDING (A)	**$ 399,452**	**$ 401,452**	**$ 2,000**	**0.5%**	**$ 615,676**	**$ 216,224**	**54.1%**
Expenses							
Personnel Expenses							
Direct Labor	196,790	196,790	-	0.0%	210,492	$ 13,702	7.0%
						-	
Total Personnel Expenses	**$ 196,790**	**$ 196,790**	**$ -**	**0.0%**	**$ 210,492**	**$ 13,702**	**7.0%**
Meeting Expenses							
BOSR Meetings	$ 15,000	$ 15,000	$ -	0.0%	$ 15,000	$ -	0.0%
State Travel	20,000	$ 18,000	$ (2,000)	-10.0%	20,000	$ -	0.0%
Staff Travel	10,000	$ 10,000	$ -	0.0%	10,000	$ -	0.0%
Total Meeting Expenses	**$ 45,000**	**$ 43,000**	**$ (2,000)**	**-4.4%**	**$ 45,000**	**$ -**	**0.0%**
Operating Expenses							
Consultants & Contracts	$ 30,000	$ 41,920	$ 11,920	39.7%	$ 180,000	$ 150,000	500.0%
Staff Training	5,000	-	$ (5,000)		5,000	$ -	0.0%
Total Operating Expenses	**$ 35,000**	**$ 41,920**	**$ 6,920**	**19.8%**	**$ 185,000**	**$ 150,000**	**428.6%**
Total Direct Expenses	**$ 276,790**	**$ 281,710**	**$ 4,920**	**1.8%**	**$ 440,492**	**$ 163,702**	**59.1%**
Indirect Expenses	**$ 190,493**	**$ 185,573**	**$ (4,920)**	**-2.6%**	**$ 197,021**	**$ 6,528**	**3.4%**
Other Non-Operating Expenses	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	
TOTAL BUDGET (B)	**$ 467,283**	**$ 467,283**	**$ 0**	**0.0%**	**$ 637,513**	**$ 170,230**	**36.4%**
CHANGE IN WORKING CAPITAL (=A-B)[1]	**$ (67,831)**	**$ (65,831)**	**$ 2,000**		**$ (21,836)**	**$ 45,994**	
FTEs	2.25	2.25	-	0.0%	2.20	(0.05)	-2.2%

[1] Fixed Assets included in Indirect Expenses.

Working Capital Reserve

The BOSR projects a working capital reserve on December 31, 2026, of $53,712 (11.5%), as compared to a targeted working capital reserve on December 31, 2027, of $31,876 (5%). The reserves are intended to provide for unexpected expenses or losses. The reduction in working capital reserve from 11.5% 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, 2027

Working Capital Reserve Analysis 2027	
Beginning Working Capital Reserve (Deficit), December 31, 2025	121,543
Plus: 2026 Funding (from LSEs or designees)	395,452
Plus: 2026 Interest Income	4,000
Minus: 2026 Projected expenses & capital expenditures	(467,283)
Projected Working Capital Reserve (Deficit), December 31, 2026	**53,712**
Targeted Working Capital Reserve, December 31, 2027[1]	31,876
Minus: Projected Working Capital Reserve, December 31, 2026	(53,712)
Increase(decrease) in funding requirement to achieve Working Capital Reserve	(21,836)
2027 Expenses and Capital Expenditures	637,513
Less: 2027 Interest Income	(4,000)
Adjustment: To achieve targeted Working Capital Reserve	(21,836)
2027 BOSR Assessment	611,676

[1] Targeted working capital reserve is 5 percent of budgeted expenses.

Budget Projections

BOSR anticipates that its future budget requirements will increase as a result of the expected volume and complexity of work associated with the transition to and implementation of the ROWE. This precise level of additional funding required will become clearer as the ROWE's structure, roles, responsibilities, and programs are further defined. Over the coming year, BOSR and WIEB staff will work with the ROWE, CAISO, and relevant stakeholders to assess future funding needs and develop appropriate budget projections for 2028 and beyond. This approach will ensure that future projections accurately reflect BOSR's evolving role and responsibilities within the ROWE.