

Review of Draft CY 2022 EIM BOSR Business Plan and Budget

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Teleconference

September 3, 2021

Agenda

- **Welcome**
Commissioner Letha Tawney, BOSR Chair
- **Summary of BOSR Funding Agreement and SRMP Annual Review**
Alaine Ginocchio, Program Manager, Wholesale Electricity Markets, WIEB
- **Draft CY 2022 Business Plan and Budget**
Lisa Brohaugh, Director of Finance and Administration, WIEB
- **Questions & Answers**
Lisa Brohaugh
Maury Galbraith, Executive Director, WIEB
- **Next Steps & Conclusions:** *Alaine Ginocchio*

Summary of BOSR Funding Agreement

- The EIM-BOSR is as an independent, self-governing organization charged with participating in and informing state regulatory officials about Western EIM developments and activities.
- BOSR recognized need for independent technical expertise and staff resources to support the organization in its efforts to effectively fulfill its obligations.
- BOSR evaluated options and found that WIEB is best situated to provide the technical expertise and staff resources necessary to support the EIM-BOSR in a competent and cost-effective manner while preserving the BOSR's independence
- WIEB- EIM BOSR Memorandum of Understanding on Technical Support

Summary of BOSR Funding Agreement

- EIM Governance Review: Stakeholder engagement
 - Recognized need for, and value of, independent and informed BOSR and supported funding
 - Out of Market Solution
- BOSR and SRMP negotiations
 - Term Sheet
 - Standard Contract

All documents available on BOSR “About” page:

<https://www.westernenergyboard.org/energy-imbalance-market-body-of-state-regulators/>

Summary of BOSR Funding Agreement

SRMPs
Arizona Public Service
Avista
Idaho Power
Nevada Power / Sierra Pacific
NorthWestern Energy
Pacific Gas & Electric
PacifiCorp
Portland General Electric
Public Service Company of New Mexico
Puget Sound Energy
San Diego Gas & Electric
Southern California Edison
Tucson Electric Power
Xcel Energy

- Purpose: Enable the BOSR to acquire staff support from the WIEB to facilitate and enhance BOSR engagement in processes at the CAISO on initiatives related to the operation of the EIM and the expansion of wholesale electricity markets and related coordination efforts in the West.
- Each of the 14 state regulated market participants (SRMPs) has executed the standard contract with WIEB.
- WIEB is independent contractor not an agent or employee of any SRMP.
- Five-year agreement, Jan. 1, 2021 – Dec. 31, 2025, to be renewed every five years.
- Payments made annually, based on allocation set forth in term sheet.

Annual Budget Review

- BOSR and WIEB will provide a detailed budget to the SRMPs with appropriate justification by November 1st of each year.
- The SRMPs will have an opportunity to provide written comments and engage with the BOSR and WIEB in the development of the BOSR's business plans and budgets.
- WIEB is responsible for hosting these public meetings and facilitating stakeholder engagement.

BOSR Budget Overview

Category	Amount
Labor Expense:	\$161,600
Meeting Expense:	\$10,100
State Travel Expense:	\$7,100
Staff Travel Expense:	\$3,000
SME Subcontract:	\$25,000
Indirect Expense (Overhead):	<u>\$182,400</u>
Total Budget Expense:	\$389,200

BOSR Expense Descriptions

- **Labor Expense** includes cost of 2.00 full-time equivalents assigned to BOSR.
- **Meeting Expense** includes cost of conference rooms and audio-visual equipment for two in-person meetings in 2022.
- **State Travel Expense** includes cost of travel reimbursement for the BOSR leadership to attend EIM related meetings.
- **Staff Travel Expense** includes cost of travel reimbursement for the BOSR staff to attend EIM related meetings.
- **SME Subcontract** includes the cost of contracting with a market expert for market training and advice.
- **Indirect Expense** includes the allocation of WIEB overhead expense to the BOSR.

Consolidated Labor Allocations

Position Description	Overhead	WIEB	WIRAB	BOSR	Total FTE
Executive Director	0.15	0.15	0.60	0.10	1.00
Program Manager - Electric System Planning		0.45	0.55		1.00
Director of State, Federal, and International Affairs		0.25	0.65	0.10	1.00
Program Manager - Wholesale Electricity Markets			0.10	0.90	1.00
Program Manager - Electric System Reliability		0.10	0.90		1.00
Program Manager - Nuclear Energy and Radioactive Waste Transportation and Disposal		1.00			1.00
Director of Finance and Administration	1.00				1.00
Analyst - Wholesale Energy Markets			0.10	0.90	1.00
Project Support Specialist - Analyst	0.30	0.60	0.10		1.00
Project Support Specialist - Website and Conference Services	1.00				1.00
Total FTE	2.45	2.55	3.00	2.00	10.00

2021 to 2022 Comparison

Category	2021	2022	Increase (Decrease)
Labor Expense	\$156,700	\$161,600	\$4,900
Meeting Expense	\$5,000	\$10,100	\$5,100
State Travel Expense	\$3,000	\$7,100	\$4,100
Staff Travel Expense	\$2,000	\$3,000	\$1,000
SME Subcontract	\$50,000	\$25,000	(\$25,000)
Indirect Expense (Overhead)	\$177,100	\$182,400	\$5,300
Total Budget Expense	\$393,800	\$389,200	(\$4,600)
FTE's	2.05	2	(0.05)

2021 Budget Projections

Category	2021 Budget	2021 Projection	Variance
Funding			
Assessments	\$413,500	\$413,500	\$0
Expenses			
Labor Expense	\$156,700	\$133,803	(\$22,897)
Meeting Expense	\$5,000	\$2,500	(\$2,500)
State Travel Expense	\$3,000	\$1,500	(\$1,500)
Staff Travel Expense	\$2,000	\$1,000	(\$1,000)
SME Subcontract	\$50,000	\$10,000	(\$40,000)
Indirect Expense (Overhead)	\$177,100	\$151,197	(\$25,903)
Total Expenses	\$393,800	\$300,000	(\$93,800)
Change in Working Capital	\$19,700	\$113,500	\$93,800

Working Capital Reserve – CY 2022

BOSR - Total Resources	2022 Budget
Total FTEs	2.00
Total Expenses	\$ 389,200
Desired Working Capital Reserve	\$ 50,600
Total Funding Requirement	\$ 439,800
Projected Working Capital Reserve	\$ 113,500
Increase or Decrease to Achieve Desired Working Capital Reserve	\$ (62,900)
Total Funding Assessment	\$ 326,300

Funding Allocation – by State

State	Allocation
AZ	\$ 35,225.57
CA	\$ 35,225.57
CO	\$ 35,225.57
ID	\$ 35,225.57
MT	\$ 14,831.82
NV	\$ 35,225.57
NM	\$ 14,831.82
OR	\$ 35,225.57
UT	\$ 35,225.57
WA	\$ 35,225.57
WY	\$ 14,831.82
Total	\$ 326,300.02

Accounting Provisions

- WIEB will use accounting codes to separately track expenses and revenues associated with the EIM-BOSR and the WIEB Executive Director will provide periodic spending reports to the EIM-BOSR Chair and Vice-Chair.
- Each year, the WIEB Executive Director will provide the EIM-BOSR with a final copy of WIEB's Annual Financial Audit, which is conducted by an independent auditing firm.
- If EIM-BOSR budgetary expenses fall below the amount of funding provided in any given budget year, surplus funding will be used to reduce the funding requirement for the subsequent budget year.

Questions?

Next Steps

Date	Event
September 3, 2021	Meeting on 2022 Draft Business Plan and Budget with the BOSR and SRMPs
September 15	Comment deadline Send comments to: lbrohaugh@westernenergyboard.org
October 7	Final budget & response to comments completed and made available
October 11	Email to BOSR: vote on budget
October 18	Announce results of budget vote at Fall Meeting in San Diego

Upcoming Meetings

BOSR Monthly Update Teleconference

Second Friday of Every Month at 10:00 AM MT / 9:00 AM PT

September Meeting Cancelled

Fall 2021 EIM Body of State Regulators Meeting

October 18, 2021, 9:00 – 11:30 AM PT

San Diego, California

Hotel and meeting information is posted on the BOSR meeting page

Information or Questions

Send comments to:

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Other contact information:

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