



2009 Business Plan and Budget

Western Electricity Coordinating Council

Date: July 9, 2008

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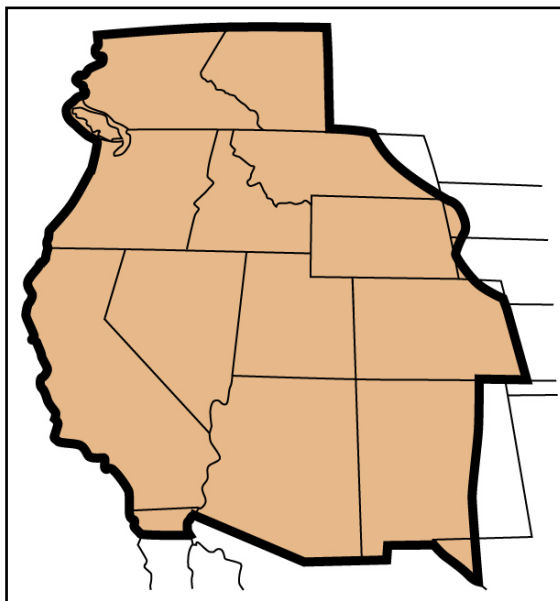
Introduction

Total WECC Resources (in whole dollars)				
	2009 Budget	U.S.	Canada	Mexico
Statutory FTEs ¹	140			
Non-statutory FTEs	4			
Total FTEs	144			
Statutory Expenses	38,691,767			
Non-statutory Expenses	798,197			
Total Expenses	39,489,964			
ERO Funding Assessments	37,088,502	31,506,071	5,134,216	448,215
Non-statutory Funding	798,197	798,197		
Total Funding	37,886,699	32,286,335	5,155,302	445,062
NEL	869,624,367	738,731,574	120,383,372	10,509,421
NEL %	100%	84.9%	13.9%	1.2%

Background

The Western Electricity Coordinating Council (WECC) is a Utah Nonprofit Corporation whose mission is to assure a reliable bulk electric power system in the Western Interconnection that supports efficient and competitive electric power markets. WECC's website is www.wecc.biz.

WECC's geographic area is the Western Interconnection – an area in which the use and generation of electricity is synchronized. This area includes all or part of 14 U.S. states, two Canadian provinces and a portion of Baja California Norte, Mexico.



Membership and Governance

WECC has 206 members divided into the following seven membership classes: ²

1. Large Transmission Owners
2. Small Transmission Owners
3. Transmission Dependent Energy Service Providers
4. End Users

¹ Full-time equivalents (FTEs)

² For purposes of voting for Board representation, all Canadian members of WECC form "Class 6." For all other purposes, Canadian members participate in member classes 1 – 5 and 7 according to their characteristics. See Section 6.2.1 of the WECC Bylaws.

5. Representatives of State and Provincial Governments
6. Canadian Members
7. Members at large

Membership in WECC is open to any person or entity that has an interest in the reliable operation of the Western Interconnection bulk power system. Membership in WECC is not a requirement for participation in the WECC standards development process.³

WECC is governed by an independent and balanced stakeholder board⁴ consisting of 32 directors. Members in classes one through five are eligible to elect four directors in their class. In addition, the Canadian delegation elects four directors and the Mexican delegation elects one.⁵ Seven directors with no member affiliation (Non-affiliated Directors) are elected by the WECC membership. Members of Class 7 do not elect representatives to the Board of Directors (Board), but do vote on Non-affiliated Directors.

Eight Board committees recommend policy on various reliability issues, or handle governance, finance and human resource matters. These committees are described in the Technical Committees and Members' Forums section on page 41.

Input comes to the Board from the member organizations, from other interested parties, and through recommendations from the WECC Standing Committees.

Under the direction of the Board, the three Standing Committees of members — the Planning Coordination Committee (PCC), the Operating Committee (OC), and the Market Interface Committee (MIC) — provide technical work and policy recommendations to the WECC Board. All member organizations are eligible for representation on the three Standing Committees.

Compliance and enforcement activities are carried out by the WECC Compliance staff and are independent of all users, owners and operators of the bulk power system and from the Hearings staff. Compliance activities are governed in the United States by the agreement between the North American Electric Reliability Corporation (NERC) and WECC, delegating portions of NERC's authority as the Electric Reliability Organization under Section 215 of the Federal Power Act to WECC (the "WECC / NERC Delegation Agreement").⁶

Statutory Functional Scope

WECC has been approved by FERC as a Regional Entity, with authority, pursuant to the WECC / NERC Delegation Agreement, to create, monitor and enforce standards for the reliability of the bulk electric power system in the Western Interconnection.

WECC's role as reliability coordinator was recognized by FERC through its acceptance of NERC's Compliance Registry.⁷

³ Non-WECC members may participate in standards drafting teams, and Interested Stakeholders may vote on Regional Reliability Standards. Interested Stakeholder voting is covered in Section 8.6 of the WECC Bylaws.

⁴ As provided in Section 215 of the Federal Power Act (e)(4)(A)(iii).

⁵ The Mexican delegation currently consists of one member.

⁶ *NERC et al.*, 119 FERC ¶ 61,060 (2007), order on compliance, 119 FERC ¶ 61,232 (2007) (accepting delegation agreements between NERC and the Regional Entities); *NERC et al.*, 122 FERC ¶ 61,245 (2008) (accepting revised delegation agreements between NERC and the Regional Entities).

⁷ *NERC* 119 FERC ¶ 61,059 (2007) Order on Rehearing.

Planning Cycle

This 2009 Business Plan and Budget is for calendar year 2009.

2009 Primary Objectives

WECC's primary objectives for 2009 are:

- Ensuring the reliability of the bulk electric power system in the Western Interconnection.
- Bringing on-line and fully staffing the new Reliability Coordination Centers and continuing the development of tools for the Reliability Coordination Centers.
- Implementing the Compliance Monitoring and Enforcement Program (CMEP).
- Implementing hearing procedures to provide timely and thorough review of disputes.
- Improving and enhancing transmission planning and loads and resources assessments.
- Becoming the credible source of interconnection-wide information.
- Assuring system reliability for renewable resource integration in the Western Interconnection.
- Advancing the quality and scope of training activities to ensure operators and Registered Entities have the information and tools they need.
- Improving administrative activities including budgeting, document control and human resources.

Major 2009 Cost Effects

The 2009 WECC statutory budget is presented with a WECC assessment requirement of \$37,088,502. This is an increase of 39.4 percent over the 2008 WECC assessment of \$26,596,512. Total WECC statutory expenses are presented at \$38,691,768, which is an 18.4 percent increase over the amended 2008 Budget.⁸

The budget includes a \$1,000,000 addition to reserves. The additional budget for reserves is based on an analysis of the 2009 projected cash flow and reflects the cash reserves required to maintain two months of operating expenses.⁹ The budget does not include fees collected on behalf of NERC or the Western Interconnection Regional Advisory Body (WIRAB). It is estimated that the NERC assessment will be \$5,795,459 and WIRAB funding will be \$378,272 for 2009. This results in an estimated total assessment to members of \$43,262,233.

The overall budget, statutory and non-statutory, includes an increase in personnel from 115¹⁰ to 144. Five positions have been added in the Reliability Coordination Centers budget. A net of ten additional positions is proposed for Compliance Enforcement. Positions have been added to support the implementation of WECC's Strategic Plan including: a Renewable Resources position, Manager of Training, Office Manager, Accountant, and a position to support the Transmission Expansion Planning Policy Committee (TEPPC). An in-house legal staff of four is included to reduce external legal expenses.

⁸ The original 2008 budget was amended in December 2007, and was filed for approval with FERC on February 15, 2008, to accommodate an acceleration of the Reliability Coordination Initiative. A corrected 2008 budget was filed for approval with FERC on March 17, 2008 and this budget is the baseline for the numbers contained in this document. FERC approved the amended and corrected budget on April 17, 2008 (123 FERC ¶ 61,031).

⁹ Although Tanner LC, WECC's external auditors, recommended three months of operating expenses for reserves, the WECC Finance and Audit Committee recommended two months due to assessment concerns.

¹⁰ 115 employees in 2008 reflects the conversion of 21 contract Reliability Coordination employees to WECC full-time employees (FTEs).

Change in Accounting Methodology

WECC has changed its accounting methodology for personnel benefits, overheads and administrative operating expenses from the approach used in the 2008 budget.

This 2009 Business Plan and Budget reflects this change in methodology with these costs now allocated as *indirect* costs to the program areas. The result of this change is an apparent reduction in personnel benefits, overheads and administrative operating expenses in 2009 (in all program areas except General and Administrative). These variances are consistent throughout the budget except where noted.

In addition, WECC has changed its methodology for meetings and travel expenses, and has moved from allocating these costs to budgeting these costs *directly* to the program areas. This change in methodology results in variances between 2008 and 2009 costs. The magnitude of these variances is dependent on the amount of 2008 allocated costs.

Detailed Business Plans and Budgets by Program

Details of the planning, operation, review, and adjustment for each program area are included in Section A. The corresponding budget details are shown in Section B.

Section A – 2009 Business Plan

Reliability Standards Program

Reliability Standards Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	4	4	4
Total Direct Expenses	\$687,812	\$687,812	\$511,694
Total Indirect Expenses ¹¹	\$222,418	\$222,418	\$522,766
Total Expenses	\$910,230	\$910,230	\$1,034,460

Background

WECC's standards development efforts are divided into two categories – participation in the NERC standards development process and the development of Western Interconnection Regional Reliability Standards (RRS). In 2009, WECC will continue to coordinate the Western Interconnection's participation in the development of NERC Reliability Standards. In instances where the NERC standards development process does not fully meet the needs of the Western Interconnection, WECC will develop RRS for use only in the Western Interconnection. In addition, WECC will provide support, as requested, to Alberta and British Columbia in the development of standards applicable in those provinces. Until those standards are completed, the WECC Reliability Management System (RMS) and its 14 reliability standards will continue in the Canadian and the Comisión Federal de Electricidad portions of the Western Interconnection.

WECC's standards development process is overseen by the Managing Director of Planning and Standards. A significant proportion of the work required to develop standards is performed by voluntary member participation through the WECC Standing Committee structure and member volunteers on NERC standards drafting teams. The volunteers are provided by WECC members, who pay a portion of their salaries and expenses while engaged in this activity. WECC is concerned that, in 2009, there may be a potential reduction in the level of participation in this activity, given the internal resources devoted to their own compliance programs.

In 2007, the Western Interconnection Compliance Forum (WICF) was established by and on behalf of entities subject to WECC and NERC Requirements. The purpose of WICF is to provide a venue to registered entities within the Western Interconnection for sharing knowledge and lessons learned regarding compliance matters, and to collectively develop best practices. In 2009, WICF will continue to be fully funded by WECC but will be staffed separately from Compliance.

¹¹ Indirect funding is calculated by allocating all administrative services funding to the operational program areas on a proportional FTE basis.

Program Description and Functions Performed

WECC's standards process was revised in 2006 and accepted by FERC as part of the original WECC / NERC Delegation Agreement. As part of that original Delegation Agreement, WECC responded to FERC's direction to modify its standards development process and allow non-members to participate. The amended WECC / NERC Delegation Agreement was filed with FERC on October 30, 2007 and approved on March 21, 2008, subject to a requirement of further modification.

The WECC standards development process begins with a standards request form that is reviewed for scope and applicability by WECC's Standards Request Routing Committee. The process is open to all interested parties and provides for their input throughout the drafting, comment and approval process. Standards are recommended by vote of the appropriate WECC Standing Committee(s) and Interested Stakeholders. Standards are balloted three times per year as needed at WECC Standing Committee meetings and, in extraordinary circumstances, can be voted by email. Once approved by the WECC Board, the standards are sent to the NERC Board of Trustees for approval. NERC then files these approved reliability standards with FERC for approval.

The WECC standards development process is also used for development of WECC Business Practices and Regional Criteria. Regional Criteria are requirements developed using the WECC standards development process and approved by the WECC Board. They do not require NERC or FERC approval.

2009 Goals and Objectives

North American Standards

NERC has published, and filed with FERC, a revised Reliability Standards Work Plan that includes a schedule for the development and revision of reliability standards for use within the United States. WECC's active participation in the NERC standards development process helps to ensure that the needs and concerns of the Western Interconnection are addressed in the standards. WECC communicates information on standards activities to its members and encourages their participation in the NERC standards development process. In 2009, WECC staff and members will work with NERC on all projects identified in the NERC Reliability Standards Work Plan.

Section 215 Regional Entity Reliability Standards Development

Regional Standards Development

WECC focuses on ensuring that NERC standards meet the needs of the Western Interconnection, but WECC also has the authority to develop necessary RRS. The current RRS are more stringent than — or address areas specific to the Western Interconnection that are not covered by — the NERC Reliability Standards. In 2006, a WECC task force identified existing requirements in use by WECC as being both “unique and essential” for the reliable operation of the Western Interconnection. These requirements were subsequently translated into Tier 1 RRS. In 2007, FERC approved eight WECC Tier 1 standards and directed WECC to develop replacement standards that addressed specific concerns identified by NERC and FERC. During the latter part of 2007 and early 2008, WECC developed these replacement standards. During 2009 WECC will develop RRS as necessary.

Regional Criteria

WECC Regional Criteria are applicable to all WECC members. For example; WECC's Business Practices, which are developed by the Market Interface Committee and by the Interchange Scheduling and Accounting Subcommittee (ISAS), are Regional Criteria.

The ISAS (a subcommittee of the OC) develops business practices for WECC that are tied to the coordination of the scheduling of electricity. In 2007, ISAS developed business practices covering tagging and reserve issues. In 2008, the ISAS developed business practices that support the WECC Interchange Tool and Reliability Coordination. During 2009, WECC will develop Business Practices as necessary.

The MIC is WECC's interface with the North American Energy Standards Board (NAESB) and participates in the NAESB standards development process. In 2009, the MIC will help coordinate WECC member involvement in the activities of NAESB. The MIC has not identified any Western Interconnection-specific business practices for development in 2009.

Other examples of Regional Criteria are WECC's Reliability Information Sharing Policy (which prescribes the requirements for sharing data), WECC's Transmission Planning Criteria, and WECC's Operating Reliability Criteria. During 2007 and 2008, the WECC Reliability Subcommittee revised the format of certain WECC Transmission Planning Criteria to more closely resemble the NERC Standards format. In 2009, the WECC Operating Practices Subcommittee (OPS) will consider revisions to the WECC Operating Reliability Criteria and WECC will develop additional Regional Criteria as needed to supplement approved reliability standards.

Funding Requirements — Explanation of Increase (Decrease)

The cost of WECC's Reliability Standards activities in 2009 is \$1,034,460. Program expenses in 2009 are driven by the potential need for additional activities of WECC standards drafting teams and the funding associated with WICF.

Staffing Needs

Hiring Plans

Not applicable.

Shared Employees

Not applicable

Contractors

WECC will continue to rely on consultants for subject matter expertise on an as-needed basis throughout 2009. Legal expenses are also budgeted to accommodate the potential need for outside legal counsel during 2009.

Reliability Standards Program

Funding sources and related expenses for the Reliability Standards section of the 2009 business plan are shown in the table below.

Statement of Activities (SOA) – Reliability Standards

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Reliability Standards					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 687,812	\$ 687,812	\$ -	\$ 511,694	\$ (176,118)
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 687,812	\$ 687,812	\$ -	\$ 511,694	\$ (176,118)
Expenses					
Personnel Expenses					
Salaries	\$ 397,160	\$ 397,160	\$ 0	\$ 393,342	\$ (3,818)
Payroll Taxes	26,796	26,796	-	-	(26,796)
Benefits	68,667	68,667	-	-	(68,667)
Retirement Costs	20,837	20,837	-	-	(20,837)
Total Personnel Expenses	\$ 513,460	\$ 513,460	\$ 0	\$ 393,342	\$ (120,118)
Meeting Expenses					
Meetings	\$ 32,826	\$ 32,826	\$ -	\$ 22,200	\$ (10,626)
Travel	34,211	34,211	-	11,520	(22,691)
Conference Calls	868	868	-	5,832	4,964
Total Meeting Expenses	\$ 67,905	\$ 67,905	\$ -	\$ 39,552	\$ (28,353)
Operating Expenses					
Consultants	\$ -	\$ -	\$ -	\$ 28,800	\$ 28,800
Contracts	-	-	-	-	-
Office Rent	18,508	18,508	-	-	(18,508)
Office Costs	11,937	11,937	-	-	(11,937)
Professional Services	73,107	73,107	-	50,000	(23,107)
Computer Purchase & Maintenance	2,895	2,895	-	-	(2,895)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 106,447	\$ 106,447	\$ -	\$ 78,800	\$ (27,647)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 687,812	\$ 687,812	\$ 0	\$ 511,694	\$ (176,118)
Change in Assets	\$ 0	\$ -	\$ (0)	\$ (0)	\$ (0)

Summary of 2008 Projection and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Not applicable.

Meeting Expenses

Meeting expenses in 2009 are driven by the need for more meetings of WECC standards drafting teams and WICF. The standards drafting teams plan to meet by phone two times per month and eight times face-to-face during 2009. The WICF membership will meet twice face-to-face during 2009. The WICF steering committee, which is a sub-set of WICF, will meet quarterly by phone. Associated with these meetings are increased costs of travel, accommodation and conference call facilities. The 2009 expenses appear lower than 2008 because the 2008 costs include allocated costs.

Operating Expenses

WECC will continue to rely on consultants for subject matter expertise on an as-needed basis throughout 2009. The 2009 budget does not include allocated costs for office expenses, professional services or computer expenses. These costs were allocated in 2008; they are included as indirect costs for 2009.

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Compliance Monitoring and Enforcement and Organization Registration and Certification Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	20	20	30
Total Direct Expenses	\$4,568,116	\$4,568,116	\$6,165,303
Total Indirect Expenses	\$1,112,091	\$1,112,091	\$3,920,746
Total Expenses	\$5,680,207	\$5,680,207	\$10,086,049

Background

Compliance enforcement is essential to WECC's mission as a Regional Entity and its fulfillment of the requirements of the WECC / NERC Delegation Agreement. The Hearings budget is included in the compliance budget and is reflected in the table above. For structural and governance purposes, hearings are discussed separately in this document.

The WECC compliance function has three major components and is overseen by the Vice President and Director of Compliance — who reports to the WECC Chief Executive Officer — and by three managers, one for each of the three areas described below:

- Compliance Auditing: oversees all audits, mitigation plans, investigations and the registration process.
- Compliance Enforcement: oversees registration disputes, settlement negotiations, regional hearings and any appeals.
- Compliance Program Administration: oversees violation reporting, audit logistics and data reporting.

2008 will be the first full-year of compliance monitoring and enforcement at WECC and the program continues to evolve. With many processes still under development, it remains a challenge to estimate the level of resources needed to implement the full compliance requirements of the CMEP. Registration disputes and investigations have absorbed an extraordinary amount of resources because of the number of disputes and investigations, and the associated complexities of each case. Hearings and appeals associated with compliance violations have not yet begun so it is difficult to forecast the resources that will be required from the Compliance staff. Critical to the success of the program will be the recruitment of highly-skilled industry experts and the hiring of consultants. Because the Regional Entities, NERC, FERC and the Registered Entities are competing for the same experts, recruitment remains a challenge.

Compliance in Alberta, British Columbia and Mexico

Alberta and British Columbia are in the process of adopting and implementing legislation and regulatory frameworks for mandatory reliability standards, monitoring and enforcement.

Agreements between WECC and the Provinces are necessary to ensure interconnection reliability while recognizing provincial sovereignty. WECC is currently in negotiations with the Alberta Electric System Operator on an agreement addressing membership and coordinated operations and anticipates starting negotiations with British Columbia later in 2008. WECC expects to have executed agreements for both provinces by 2009.

Similarly, WECC expects to continue addressing reliability issues with the Comisión Federal de Electricidad in 2009.

Reliability Management System (RMS)

In 1996, the Western Systems Coordinating Council (WSCC)¹² created the RMS, a contract-based compliance enforcement mechanism. RMS grew to encompass 14 standards. In the United States five of the RMS standards are now part of the NERC Reliability Standards and eight others have been adopted as WECC RRS.¹³ As a result, RMS is currently being used to monitor only the interchange schedule tagging requirements in the United States. In Canada and Mexico, RMS is still used to monitor all 14 RMS standards. This may change in 2009 as Alberta and British Columbia move toward mandatory standards.

Program Description and Functions Performed

The requirements of the WECC CMEP program are specified in the WECC / NERC Delegation Agreement. Subject to variations between WECC's CMEP and those of other regions, WECC seeks to implement the program in a manner similar to the programs of other regions. WECC uses the following eight methods to monitor compliance by the Registered Entities with the reliability standards:

- **Compliance Audits** – WECC conducts either on-site or off-site audits of all Registered Entities.
- **Self-Certification** – WECC reviews Registered Entity certifications of compliance or non-compliance with standards on an annual basis.
- **Spot Checking** – WECC verifies compliance with specific standards, primarily in connection with reviews of self-certification.
- **Compliance Violation Investigations** – Violation investigations are usually the result of a system event or disturbance, but may result from other sources.
- **Self-Reporting** – WECC undertakes a monitoring process that is specifically designed to work in conjunction with a Registered Entity's continuous monitoring efforts by its internal compliance programs.
- **Periodic Data Submittals** – WECC reviews monthly and quarterly reports that are submitted regarding compliance with certain standards.
- **Exception Reporting** – WECC requires reports on a small set of standards when violations occur.
- **Complaints** – The WECC compliance staff is alerted to a potential violation that is then investigated.

¹²WSCC was one of the companies and regional transmission associations that merged to form WECC.

¹³The original eight WECC Regional Reliability Standards have been revised and now are incorporated in seven WECC RRS.

The compliance function is also involved in the following processes in support of its activities:

- **Registration** – Facilitating the registration process by ensuring that there are no gaps in the registration of entities in the Western Interconnection and resolving registration disputes.
- **Penalty calculations** – Determining, as appropriate, proposed penalties for alleged violations.
- **Settlement negotiations** – Conducting settlement negotiations with Registered Entities when requested.
- **Hearings and Appeals** – Participating in all hearings and appeals.
- **Certification of Balancing Authorities, Reliability Coordinators and Transmission Operators** – Conducting the certification process as required.

2009 Goals and Objectives

- Continue to ensure all compliance activities are conducted in a fair, impartial and professional manner.
- Identify and implement methods to streamline and improve the audit process.
- Apply risk-based analysis to select the appropriate standards for review during the audit process.
- Seek and respond to Registered Entity feedback on audits and other compliance activities.
- Continue to expand educational opportunities to enhance Registered Entities' understanding of the CMEP and reliability standards.
- Establish a cyber security compliance user group.
- Continue to recruit experienced and skilled staff and consultants.

Funding Requirements — Explanation of Increase (Decrease)

The cost of WECC's Compliance Enforcement Department activities in 2009 is \$10,086,049. Program expenses for 2009 are driven by additional staffing and the associated costs of conducting audits, investigations, hearings and appeals. The scope of both the on-site and table-top audits has expanded from 2007 to 2008 and will expand again in 2009. The expansion in scope is mainly due to an increase in the number of standards that are included in the actively monitored program for each year. In 2007, about 50 of the FERC-approved standards were included. This number will increase to 83 standards in 2009.

In addition, the number of current investigations is many times higher than previously anticipated. For example, NERC now requires an investigation/review of the Transmission Vegetation Management Program of any Registered Entity that has experienced vegetation-caused outages. In addition, WECC is required to undertake an on-site evaluation to determine the appropriateness of a credit for any Registered Entity operating an exceptional Internal Compliance Program (ICP).

Staffing Needs

Hiring Plans

WECC has added eleven FTEs to the Compliance budget for 2009 and eliminated the hearing officer position, resulting in a net increase of ten FTEs. Contract dollars have been included for the hearing office position. Training will be required in order to facilitate consistency and quality of the compliance process.

Shared Employees

Not applicable.

Consultants

The 2009 budget for consultants and contracts increases to \$1,154,500. The use of consultants continues to be the most cost-effective way to provide the additional specialized resources needed for investigations, hearings and appeals.

Compliance Enforcement and Organization Registration and Certification Program

Funding sources and related expenses for the Compliance Enforcement and Organization Registration and Certification section of the 2009 business plan are shown in the table below.

SOA – Compliance and Organization Registration and Certification

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Compliance and Organization Registration and Certification					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 4,568,116	\$ 4,568,116	\$ -	\$ 6,165,303	\$ 1,597,187
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 4,568,116	\$ 4,568,116	\$ -	\$ 6,165,303	\$ 1,597,187
Expenses					
Personnel Expenses					
Salaries	\$ 1,927,416	\$ 1,927,416	\$ -	\$ 3,267,237	\$ 1,339,821
Payroll Taxes	133,980	133,980	-	-	(133,980)
Benefits	318,554	318,554	-	75,004	(243,550)
Retirement Costs	90,293	90,293	-	-	(90,293)
Total Personnel Expenses	\$ 2,470,243	\$ 2,470,243	\$ -	\$ 3,342,241	\$ 871,998
Meeting Expenses					
Meetings	\$ 121,447	\$ 121,447	\$ -	\$ 380,000	\$ 258,553
Travel	252,244	252,244	-	689,090	436,846
Conference Calls	103,763	103,763	-	75,004	(28,759)
Total Meeting Expenses	\$ 477,454	\$ 477,454	\$ -	\$ 1,144,094	\$ 666,640
Operating Expenses					
Consultants	\$ 200,000	\$ 200,000	\$ -	\$ 1,129,500	\$ 929,500
Contracts	746,000	746,000	-	25,000	(721,000)
Office Rent	226,825	226,825	-	138,264	(88,561)
Office Costs	76,736	76,736	-	227,204	150,468
Professional Services	340,314	340,314	-	159,000	(181,314)
Computer Purchase & Maintenance	30,544	30,544	-	-	(30,544)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 1,620,419	\$ 1,620,419	\$ -	\$ 1,678,968	\$ 58,549
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 4,568,116	\$ 4,568,116	\$ -	\$ 6,165,303	\$ 1,597,187
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of 2008 projection and 2009 budgeted funding and expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Personnel expenses will increase in 2009 due to the following eleven additional positions, offset by the elimination of the hearings technical advisor position:

Manager of Enforcement

With the addition of a second manager, the responsibilities of the current Manager of Audits and Enforcement will be split. This will allow a separation of the functions and more focused management.

Five Compliance Engineers – Relay Maintenance, Vegetation Management, Investigations, Penalties/Settlements, Hearings/Appeals

Additional Compliance Engineers are needed due to the increased work load. WECC is hiring Compliance Engineers who have specific technical experience in fields such as vegetation management, relay testing, scheduling and planning.

Compliance Program Coordinator

Currently, one Compliance Program Coordinator monitors the audit logistics and scheduling of WECC's on-site audits (approximately 20 per year). Table-top audits will be implemented this year and will involve at least 75 more annual audits that require logistical processing and audit scheduling.

Data Analyst

Implementation of the monitoring processes under the CMEP has increased the data processing and reporting requirements

Database Administrator

The 2008 implementation of the new web portal has created the need for a Database Administrator on staff rather than relying on a vendor for technical support. This will also result in faster posting of new information and more efficient response times regarding change control.

Data Analyst/Website/Web Portal Support

As WECC implements the monitoring processes of the CMEP, it becomes apparent that the data processing and reporting requirements will continue to increase.

Administrative Assistant, Compliance

The Compliance workload has increased and has created the need for another Administrative Assistant.

Personnel Reduction

Technical Advisor, Hearings

Rather than fill the Technical Advisor position with a WECC employee in 2009, dollars have been added to the consultant budget for a backup hearing officer, due to the uncertainty of the contested hearings workload.

Training costs for the Compliance Department that are clearly attributable to the Compliance program are budgeted directly to that program.

Meeting Expenses

Meeting costs will increase to reflect the increased costs of Compliance User Group meetings and workshops. Travel expenditure is budgeted to increase because most audits and investigations will require travel. Travel will also be required to participate in appeals of decisions resulting from the hearing process.

Operating Expenses

Costs for computer services for the web portal project are included in the consulting budget and will increase from \$199,400 to \$250,000. The web portal is critical for the secure submittal of compliance data by the Registered Entities. The increased budget will allow for additions and updates. The consulting budget will increase as the use of consultants continues to be the most cost-effective way to provide the additional specialized resources needed for investigations, hearings and appeals. The office rent for the Compliance Department is easily identifiable due to the size of the department and is budgeted directly to the Compliance program.

HEARINGS

Background

WECC fundamentally disagrees that the Hearings budget should be embedded in the CMEP Budget, though WECC understands that “Hearings” are part of the global Compliance budget, WECC believes that the expenditure on Hearings should be separately stated. It is, in WECC’s opinion, important that all constituents understand that the Hearings process has a separate governance structure and for organizational purposes is not part of Compliance. The WECC 2009 budget for Hearings is reflected in the following table, these expenditures are embedded in the Compliance Program, above.

	2009 Budget
Total FTEs	3
Total Direct Expenses	\$941,474
Total Indirect Expenses	\$392,075
Total Expenses	\$1,333,549

Program Description and Functions Performed

Hearing Officers will conduct the evidentiary hearings in the majority of disputes and issue initial decisions. The initial decisions, along with exceptions by the parties, will be submitted to a Compliance Hearing Body (CHB) panel for consideration and final decision on behalf of the

WECC region. In cases of particular complexity or significant regional interest, a CHB panel may conduct or participate in the evidentiary hearing. The Legal Department Staff will support the Hearing Officers and CHB. Hearing Officers and Legal Department Staff supporting the Hearing Officers and CHB will be screened from other Legal Department matters during the pendency of a hearing.

2009 Goals and Objectives

- Streamline hearing procedures to provide timely and thorough review of disputes.
- Retain Hearing Officers for disputes related to compliance violations

Staffing Needs

Hiring Plans

Not applicable

Shared Employees

Not applicable.

Contractors

Contractors will be used as Hearing Officers. The increase in contractor usage will be offset by the reduction in the fixed cost of a permanent WECC Hearing Officer. Using contractors will provide greater flexibility to address the sporadic nature of compliance disputes.

Summary of 2008 projection and 2009 budgeted funding and expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined in the business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Personnel expenses will increase in 2009 due to the addition of 11 Compliance employees, offset by the reduction of one for a net gain of 10 positions.

Meeting Expenses

Hearing Officers will meet with parties and conduct hearings as required by WECC's CMEP.

Operating Expenses

Contractors and consultants will be retained to address compliance hearing requirements.

Reliability Readiness Evaluation and Improvement Program

Reliability Readiness Evaluation and Improvement Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	2	2	2
Total Direct Expenses	\$342,541	\$342,541	\$216,400
Total Indirect Expenses	\$111,209	\$111,209	\$261,383
Total Expenses	\$453,750	\$453,750	\$477,783

Background

“Readiness Evaluation” is a NERC program designed to assess an entity’s ability to operate reliably in the future as well as to determine their readiness to maintain safe and reliable operations. Readiness Evaluations are undertaken by a team of industry experts and generate examples of excellence that are circulated throughout the industry to improve operations. Balancing Authorities, Transmission Operators and Reliability Coordinators are scheduled for Readiness Evaluations every three years.

Note: In NERC’s 2009 business plan, developed after approval of this plan by WECC, NERC has eliminated the Reliability Readiness Evaluation and Improvement Program. In the NERC approved plan, 2009 will be a transition year, during which open Readiness recommendations in the Region will be monitored to their completion and a reduced set of Evaluations will take place. Due to the uncertainty associated with the final disposition of the NERC program and the expectations delegated to WECC at the time this plan was developed and finalized, the potential for an under run of 2009 expenditures compared to budget exists, but is difficult to quantify at this time.

Program Description and Functions Performed

Readiness Evaluations are conducted at entities’ facilities, and involve reviews of documentation and interviews with employees. On completion of an evaluation, the team meets with the entity’s staff and management personnel, provides details of good operating practices and makes recommendations for improvement. Recommendations are tracked for resolution by the Operating Practices Subcommittee (OPS), a subgroup of the Operating Committee (OC).

Readiness Evaluation teams consist of six members: a WECC staff member, a NERC co-lead and four industry volunteers drawn from both inside and outside of the Western Interconnection. FERC staff persons may also participate. The readiness evaluation program in WECC is under the direction of an Assistant Director of Operations.

2009 Goals and Objectives

- WECC's Readiness Evaluation staff will work to ensure that the evaluation team understands operating practices and WECC members are well-prepared for the evaluations.
- WECC will conduct 20 Readiness Evaluations in 2009, an increase of three over 2008.

Funding Requirements — Explanation of Increase (Decrease)

Although the number of evaluations will increase from 17 to 20 in 2009, the projected funding amount has decreased based on experience with 2008 individual evaluations.

Staffing Needs

Hiring Plans

There will be no increase in staff for Readiness Evaluations in 2009. The Assistant Director of Operations and two staff members from the Operations group will participate in the 20 Readiness Evaluations planned in 2009.

Shared Employees

Not applicable.

Contractors

In 2009, \$25,000 has been allocated for consultants. Consultants will be used when Readiness Evaluations conflict with the work schedules of WECC Operations staff.

Reliability Readiness Evaluations and Improvement Program

Funding sources and related expenses for the Reliability Readiness Evaluation and Improvement section of the 2009 business plan are shown in the table below.

SOA – Reliability Readiness Evaluations and Improvement Program

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Reliability Readiness Evaluation and Improvement					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 342,541	\$ 342,541	\$ -	\$ 216,400	\$ (126,141)
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 342,541	\$ 342,541	\$ -	\$ 216,400	\$ (126,141)
Expenses					
Personnel Expenses					
Salaries	\$ 155,922	\$ 155,922	\$ -	\$ 162,000	\$ 6,078
Payroll Taxes	14,745	14,745	-	-	(14,745)
Benefits	45,781	45,781	-	-	(45,781)
Retirement Costs	13,891	13,891	-	-	(13,891)
Total Personnel Expenses	\$ 230,339	\$ 230,339	\$ -	\$ 162,000	\$ (68,339)
Meeting Expenses					
Meetings	\$ 18,684	\$ 18,684	\$ -	\$ -	\$ (18,684)
Travel	22,807	22,807	-	29,400	6,593
Conference Calls	579	579	-	-	(579)
Total Meeting Expenses	\$ 42,070	\$ 42,070	\$ -	\$ 29,400	\$ (12,670)
Operating Expenses					
Consultants	\$ 32,500	\$ 32,500	\$ -	\$ 25,000	\$ (7,500)
Contracts	-	-	-	-	-
Office Rent	12,338	12,338	-	-	(12,338)
Office Costs	7,960	7,960	-	-	(7,960)
Professional Services	15,404	15,404	-	-	(15,404)
Computer Purchase & Maintenance	1,930	1,930	-	-	(1,930)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 70,132	\$ 70,132	\$ -	\$ 25,000	\$ (45,132)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 342,541	\$ 342,541	\$ -	\$ 216,400	\$ (126,141)
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of 2008 projection and 2009 budgeted funding and expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

There will be no increase in staffing for the Readiness Evaluation Program.

Meeting Expenses

Total travel and meeting expenses for the Readiness Evaluation Program have been reduced in 2009 as the result of more accurately budgeting expenses based on actual dollars spent on individual evaluations from the previous year.

Operating Expenses

Consulting expenses for 2009 will be used to cover the evaluations scheduled in 2009. The increase is also attributable to the potential need to provide alternate coverage for WECC personnel when they are unavailable for Readiness Evaluations due to conflicts in work schedules.

Training, Education, and Operator Certification Program

Training, Education, and Operator Certification Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	3	3	3.5
Total Direct Expenses	\$726,090	\$726,090	\$863,290
Total Indirect Expenses	\$166,814	\$166,814	\$457,420
Total Expenses	\$892,904	\$892,904	\$1,320,710

Background

WECC provides continuing education and training for system operators, schedulers and dispatchers. In 2009, WECC will increase the emphasis on training relating to the NERC Standards, the Regional Standards and Business Practices.

Program Description and Functions Performed

WECC conducts training classes 24 to 26 weeks per year in Salt Lake City. The curriculum is developed with the assistance of the Operations Training Subcommittee (OTS) of the OC. The OTS and WECC staffs also provide an annual training workshop for all WECC-Certified Training Instructors. In addition to the Operator Training Program, WECC staff and the OTS offer an Executive Overview Workshop that provides a broad overview of system operations for non-operational personnel two times each year.

2009 Goals and Objectives

- WECC will continue to provide high-quality continuing education for system operators, schedulers and dispatchers.
- WECC will continue to review and revise the curriculum as needed, and will increase the emphasis on training relating to the NERC Standards, the Regional Standards and Business Practices.

Funding Requirements — Explanation of Increase (Decrease)

The WECC Training Program cost is completely offset by the revenue generated from registration fees for training sessions. The Operations Training Subcommittee will be required to increase training fees and add additional classes to provide adequate funding to cover the training program as a consequence of hiring a Manager of Training. This new position will support both operator training and WECC member training. It will be 50% funded through the self-funded Training Program and 50% through the Operating Committee budget.

Staffing Needs

Hiring Plans

The Training Department currently includes one full-time trainer, one support person and one contract training instructor. The contract training instructor's contract will terminate in October of 2008 and WECC will replace the position with a full-time instructor. In

2009, one new FTE will be hired to fill the Manager of Training position. This position will be responsible for coordinating the development, implementation and documentation of all WECC system operators training and will coordinate the reliability coordinator training to meet NERC Standards criteria and documentation. The Manager of Training will also be responsible for compliance and standards training as requested by members.

Shared Employees

Not applicable.

Contractors

The only plans for using contract employees in 2009 will be to support the System Overview Workshop sponsored twice per year.

Training, Education, and Operator Certification Program

Funding sources and related expenses for the Training, Education, and Operator Certification section of the 2009 business plan are shown in the table below.

SOA – Training and Education

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Training and Education					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	726,090	726,090	-	863,290.0	137,200
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 726,090	\$ 726,090	\$ -	\$ 863,290	\$ 137,200
Expenses					
Personnel Expenses					
Salaries	\$ 228,423	\$ 228,423	\$ 0	\$ 318,409	\$ 89,986
Payroll Taxes	21,853	21,853	-	-	(21,853)
Benefits	53,942	53,942	-	163,981	110,039
Retirement Costs	20,837	20,837	-	-	(20,837)
Total Personnel Expenses	\$ 325,055	\$ 325,055	\$ 0	\$ 482,390	\$ 157,335
Meeting Expenses					
Meetings	\$ 263,546	\$ 263,546	\$ -	\$ 236,000	\$ (27,546)
Travel	51,611	51,611	-	45,900	(5,711)
Conference Calls	868	868	-	3,000	2,132
Total Meeting Expenses	\$ 316,025	\$ 316,025	\$ -	\$ 284,900	\$ (31,125)
Operating Expenses					
Consultants	\$ 8,400	\$ 8,400	\$ -	\$ 51,000	\$ 42,600
Contracts	18,400	18,400	(0)	38,000	19,600
Office Rent	18,508	18,508	-	-	(18,508)
Office Costs	16,595	16,595	-	7,000	(9,595)
Professional Services	23,107	23,107	-	-	(23,107)
Computer Purchase & Maintenance	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 85,010	\$ 85,010	\$ (0)	\$ 96,000	\$ 10,990
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 726,090	\$ 726,090	\$ 0	\$ 863,290	\$ 137,200
Change in Assets	\$ 0	\$ -	\$ (0)	\$ 0	\$ 0

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

All of the Operator Training and Training Workshops are self-funded through training fees.

Personnel Expenses

In 2009, the Training function will add one full-time position: Manager of Training. This position will be responsible for coordinating the development, implementation and documentation of all WECC system operator training and for coordinating the reliability coordinator training to meet NERC Standards criteria and documentation. The Manager of Training will also be responsible for compliance and standards training as requested by members. Half of this position is funded by Committees and half is included in the Training budget.

Meeting Expenses

Based on the number of training sessions forecast in 2009, meetings costs increased slightly from 2008. This is primarily due to the increased cost of hosting the sessions. Meeting allocations have been eliminated in 2009, creating an apparent reduction in meeting costs.

Operating Expenses

Consulting fees for the Training Workshops increased in 2009 primarily due to increased hourly rates for workshop presenters' fees.

Reliability Assessment and Performance Analysis Program

Reliability Assessment and Performance Analysis Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	13	13	14
Total Direct Expenses	\$3,279,459	\$3,279,459	\$2,742,063
Total Indirect Expenses	\$722,859	\$722,859	\$1,829,681
Total Expenses	\$4,002,318	\$4,002,318	\$4,571,744

Background

WECC conducts a variety of studies and assessments required for the reliable planning and operation of the bulk electric system in the Western Interconnection.

WECC provides energy and capacity information to NERC for seasonal and long-term reliability assessments each year. This information allows NERC to complete the assessments required under Section 215 of the Federal Power Act. This work is overseen by the Managing Director of Planning and Standards.

Program Description and Functions Performed

Transmission Expansion Planning

WECC assists in meeting the region's needs for regional transmission planning and analyses. WECC accomplishes this by providing impartial and reliable data, public process leadership and analytic tools and services.

The Transmission Expansion Planning Policy Committee (TEPPC) — a WECC Board Committee — facilitates these activities, operates under a Charter approved by the WECC Board and has 17 members representing all classes of stakeholders with representation from all geographic sub-regions of WECC. This Committee was established in 2007. The TEPPC charter directs three primary functions:

- Overseeing transmission database management.
- Providing policy and management of the planning process.
- Guiding the analysis and modeling for Western Interconnection transmission expansion planning.

TEPPC and its subgroups work closely and coordinate with Western state, provincial and federal government entities.

During 2008, WECC staff — with the assistance of the Technical Advisory Subcommittee (TAS) of TEPPC — will complete an update of the Transmission Expansion Planning Database.

The updated database will include information regarding load, transmission, fuel price, existing generation and planned generation. WECC staff will use this database to simulate Western regional production costs under various loads, gas prices, hydro and other scenarios. These activities are intended to result in a comprehensive, current and well-validated database that can be readily used to identify where transmission expansion may be needed. The database can be used to evaluate the ability of transmission, generation and demand-side resources to satisfy needs across the Western Interconnection.

TEPPC will also perform studies on congestion in the Western Interconnection for the Department of Energy (DOE). This congestion work will allow the DOE to meet its requirements under the Energy Policy Act of 2005.

WECC anticipates that these activities will continue in 2009.

Loads and Resources

In 2009, WECC will continue to improve its loads and resources data gathering and analysis. The WECC staff, assisting the Loads and Resources Subcommittee (LRS), will provide analysis of resource adequacy in the Western Interconnection. Improvements have been made each year to both the energy and capacity assessments. Recent improvements include scenario inputs (for example, extreme weather) as well as improved modeling and data quality. This work is performed by WECC staff under the direction of the PCC and LRS.

Power Supply Assessment (PSA)

The WECC PSA is an annual study of the resource capacity margins on a WECC-wide basis. The study identifies sub-regions within WECC that have the potential for electricity supply shortages, based on reported demand, resource data and transmission constraints.

The WECC PSA presents the results of a set of resource capacity margin scenarios for the Western Interconnection for a ten-year forecast period, based on a deterministic load-resource model that examines the effect of various design criteria relative to the load forecast requirements. The assessment is based on the physical ability of the Western Interconnection to supply all loads, regardless of contractual obligations.

Studies

WECC staff, based on guidance from the Technical Studies Subcommittee (TSS), develops a report concerning operating and transfer conditions. WECC staff prepares study results for TSS and PCC approval. These studies are also used in determining stability limits required by NERC Reliability Standards.

The WECC technical staff annually prepares a ten-year data bank of power flow base cases and associated stability data reflecting case scenarios, system configurations and operating conditions specified by the TSS.

2009 Goals and Objectives

PCC Subcommittee Goals

LRS Goals

- Improve the seasonal assessments through better data definitions and reporting clarity.
- Improve the NERC Long term Reliability Assessment (NERC LTRA) through well-defined scenarios and factual assessments.
- Expand participation in NERC meetings in developing definitions and in the drafting of NERC reports.
- Participate in the development of scenarios for the 2009 NERC LTRA.
- Participate in the NERC standards development process on issues that pertain to assessments and data collection or other loads and resources assignments.

TSS and System Review Work Group (SRWG) Goals

- Participate in NERC standards drafting teams when appropriate.
- Allocate responsibility for the WECC procedures/policies/processes and input into standards where needed.
- Provide additional General Electric (GE) and Power Technology Inc. (PTI) training for WECC Base Case Engineers.
- Participate in the GE and PTI users groups.

Reliability Subcommittee Goals

- Continue to develop the Voltage Ride Through criterion.
- Continue to develop the Transmission Availability Database to include planned outages.
- Participate in the NERC standards drafting teams when appropriate.

Modeling and Validation Work Group (MVWG) Goals

- Define and implement the single-phase induction motor model, which involves the NERC Transmission Issues Subcommittee (TIS) and its report on AC load tripping.
- Actively participate in the development of NERC Standards MOD-024, 25, 26, 27 and PRC-019.

Disturbance Monitoring Work Group (DMWG Goals)

- Identify desirable sites for the additional Performance Monitors funded for 2009 and persuade the transmission operators to install the devices.
- Conduct a workshop regarding modeling tools.
- Provide for analysis of system events.
- Improve disturbance data exchange/availability.

TEPPC Goals

- Finalize the 2008 Annual Report.
- Perform all 2009 requested studies from the subregional planning groups.
- Improve the transmission database through additional data requests, reviews and screening.
- Implement the lessons learned from the 2008 process.
- Finalize the 2009 DOE congestion studies, including definitions, timeline and metrics.
- Improve functionality of work groups through more stakeholder participation.
- Provide additional ProMod training for WECC staff.

Funding Requirements — Explanation of Increase (Decrease)

The total cost of WECC's Reliability Assessment and Performance Analysis Program in 2009 is \$4,571,744. The actual increase in costs for this function is attributable to costs associated with hiring a Reliability Engineer and increased TEPPC meeting costs associated with the DOE congestion studies. Consulting costs will also increase due to training and education, testing and side-by-side conversion activities associated with the transition of the loads and resources analysis data from the current modeling software — the Supply Adequacy Model (SAM) — to the ProMod model.

Staffing Needs

Hiring Plans

WECC will recruit a Reliability Engineer in 2009 to assist with the increased number of studies required. These include the 2009 DOE congestion studies and as many as 20 additional economic and congestion studies requested by the Subregional Planning Groups and Transmissions Providers (TPs) as part of the TEPPC study cycle. This position is needed to perform these additional studies. WECC will also recruit a Renewable Engineer reporting to the Managing Director of Planning and Standards. This position will provide support on reliability and policy issues across four disciplines: Transmission Planning, Standard Setting, Operations and Market Interface. Personnel expenses associated with this position are reflected in the General and Administrative budget.

Shared Employees

Not applicable.

Contractors

Consulting costs will increase due to activities associated with the transition of the loads and resources data from the SAM to the ProMod model.

SOA – Reliability Assessment and Performance Analysis

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Reliability Assessment and Performance Analysis					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 3,279,459	\$ 3,279,459	\$ -	\$ 2,656,981	\$ (622,478)
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	85,082	85,082
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 3,279,459	\$ 3,279,459	\$ -	\$ 2,742,063	\$ (537,396)
Expenses					
Personnel Expenses					
Salaries	\$ 1,011,574	\$ 1,011,574	\$ (0)	\$ 1,094,310	\$ 82,736
Payroll Taxes	87,087	87,087	-	-	(87,087)
Benefits	297,552	297,552	-	81,045	(216,507)
Retirement Costs	90,293	90,293	-	-	(90,293)
Total Personnel Expenses	\$ 1,486,506	\$ 1,486,506	\$ (0)	\$ 1,175,355	\$ (311,151)
Meeting Expenses					
Meetings	\$ 121,447	\$ 121,447	\$ -	\$ 135,450	\$ 14,003
Travel	148,246	148,246	-	119,330	(28,916)
Conference Calls	3,763	3,763	-	32,000	28,237
Total Meeting Expenses	\$ 273,456	\$ 273,456	\$ -	\$ 286,780	\$ 13,324
Operating Expenses					
Consultants	\$ 254,568	\$ 254,568	\$ 0	\$ 683,000	\$ 428,432
Contracts	588,000	588,000	0	294,568	(293,432)
Office Rent	80,200	80,200	-	-	(80,200)
Office Costs	474,053	474,053	-	252,360	(221,693)
Professional Services	100,132	100,132	-	-	(100,132)
Computer Purchase & Maintenance	22,544	22,544	-	50,000	27,456
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 1,519,497	\$ 1,519,497	\$ 0	\$ 1,279,928	\$ (239,569)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 3,279,459	\$ 3,279,459	\$ 0	\$ 2,742,063	\$ (537,396)
Change in Assets	\$ 0	\$ -	\$ (0)	\$ 0	\$ 0

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding. Funding of \$85,082 is received from a user-funded data collection service hosted by WECC.

Personnel Expenses

The increase in 2009 personnel expenses is attributable to the recruitment of a Reliability Engineer who will provide support to TEPPC on the DOE congestion studies. Personnel expenses associated with the Renewable Engineer position are reflected in the General and Administrative budget. This position will provide support on reliability and policy issues across four disciplines: Transmission Planning, Standard Setting, Operations and Market Interface.

Training costs for the Reliability Assessment and Performance Analysis program are clearly attributable to this program and are budgeted directly to it.

Meeting Expenses

The increase in 2009 meeting expenses is attributable to an anticipated increase in the number of TEPPC meetings with associated travel and accommodation costs.

Operating Expenses

The increase in 2009 operating expenses is attributable to consulting costs employed to support the transition from the SAM model to the ProMod model.

Situational Awareness and Infrastructure Security Program

Situational Awareness and Infrastructure Security Program Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	49	49	54
Total Direct Expenses	\$18,007,842	\$18,007,842	\$14,143,679
Total Indirect Expenses	\$2,724,623	\$2,724,623	\$7,057,342
Total Expenses	\$20,732,465	\$20,732,465	\$21,201,021

Background

In 2006, the WECC Board initiated the Reliability Coordination Strategic Initiative in order to create two WECC-wide Reliability Coordination Centers that are separate and independent from any host and to create complete redundancy of operations. This will allow each center to back-up the other while complying with all WECC and NERC standards and will provide a common Energy Management System (EMS) and set of tools for the reliability coordinators. The two Reliability Coordination Centers will be located at Fort Collins, Colorado and Vancouver, Washington and, along with the EMS Data Centers, will be hosted by WECC. In late 2007, WECC decided to advance the project completion date from 2009 to 2008 and to fund the project acceleration through a \$6 million line of credit.

Program Description and Functions Performed

WECC Reliability Coordinators are responsible for monitoring and responding to real-time conditions on the bulk power system in the Western Interconnection. They also provide leadership, coordination, technical assistance to the Balancing Authorities and other entities within WECC and issue directives in order to protect system reliability.

The EMS and IT teams located at both Reliability Coordination Centers will provide on-site support for the real-time operating system, advanced applications, model updating and reliability coordinator tools. They also are responsible for conducting studies, developing mitigation plans and assisting the real-time reliability coordinators during system events.

2009 Goals and Objectives

The primary goal of the WECC situational awareness and infrastructure security program is to provide proactive response to conditions on the bulk electric system that ensure the safe and reliable operation of the Western Interconnection. To achieve this goal, WECC will purchase simulators for both Reliability Coordination Centers to provide employees with practical experience on the WECC interconnected bulk electric system.

Funding Requirements — Explanation of Increase (Decrease)

The 2009 budget (total of direct and indirect costs) for Situational Awareness and Reliability Coordination activities in 2009 is \$21,201,021, an increase of \$468,556 compared to 2008. A major element of 2009 budget relates to payment on the \$6 million dollar line of credit obtained in 2008 to accelerate the completion of the Reliability Coordination Strategic Initiative. The

budget also includes recruitment and relocation costs associated with the hiring of reliability coordination employees during this effort.

Staffing Needs

Hiring Plans

There will be an increase of five FTEs in 2009, as described below, for a total of 54 reliability coordination employees; a compliance manager, two administrative assistants and two EMS support engineers that were deferred from 2008 until 2009 to coincide with the maintenance requirements of the West-wide System Model.

Reliability Coordination Compliance Manager

The reliability coordination function is responsible for 358 requirements of the mandatory standards, including the CIP (Critical Infrastructure Protection) standards. These standards have numerous reporting, testing, training and documentation management requirements for us to establish compliance. This position will also be responsible for WECC Region Reliability Organization compliance, which is currently outsourced.

Two Administrative Assistants

Two Administrative Assistants are required to provide general administrative support to the Reliability Coordination Center staffs. One will be located in Vancouver, Washington and one will be located in Fort Collins, Colorado.

Two Reliability Coordination Positions

Two EMS positions were approved by the WECC Board of Directors as part of the acceleration of the implementation Reliability Coordination Initiative, as one half FTEs in the 2008 Amended Budget. These positions are reflected as additions to the 2009 personnel budget.

Shared Employees

Not applicable.

Contractors

Additional staffing requirements will be met with contractors on an as needed basis. These roles are typically very narrow in scope and require specific expertise.

Situational Awareness and Infrastructure Security Program

Funding sources and related expenses for the situation awareness and infrastructure security section of the 2009 business plan are shown in the table below.

SOA – Situational Awareness and Infrastructure Security

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Situational Awareness and Infrastructure Security					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 12,155,428	\$ 12,155,428	\$ -	\$ 14,143,679	\$ 1,988,251
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	5,852,414	5,852,414	-	-	(5,852,414)
Total Funding	\$ 18,007,842	\$ 18,007,842	\$ -	\$ 14,143,679	\$ (3,864,163)
Expenses					
Personnel Expenses					
Salaries	\$ 5,168,145	\$ 5,168,145	\$ 0	\$ 6,390,937	\$ 1,222,792
Payroll Taxes	484,057	484,057	0	-	(484,057)
Benefits	1,453,221	1,453,221	0	327,671	(1,125,550)
Retirement Costs	41,697	41,697	(0)	-	(41,697)
Total Personnel Expenses	\$ 7,147,119	\$ 7,147,120	\$ 1	\$ 6,718,608	\$ (428,512)
Meeting Expenses					
Meetings	\$ 28,026	\$ 28,026	\$ -	\$ -	\$ (28,026)
Travel	193,791	193,791	-	96,000	(97,791)
Conference Calls	868	868	-	4,800	3,932
Total Meeting Expenses	\$ 222,685	\$ 222,685	\$ -	\$ 100,800	\$ (121,885)
Operating Expenses					
Consultants	\$ 4,141,865	\$ 4,141,865	\$ (0)	\$ 42,000	\$ (4,099,865)
Contracts	1,621,392	1,621,392	-	486,000	(1,135,392)
Office Rent	274,108	274,108	-	479,568	205,460
Office Costs	375,645	375,645	-	2,448,640	2,072,995
Professional Services	566,707	566,707	-	540,000	(26,707)
Computer Purchase & Maintenance	3,658,320	3,658,320	-	72,000	(3,586,320)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 10,638,037	\$ 10,638,037	\$ (0)	\$ 4,068,208	\$ (6,569,829)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ 3,256,063	\$ 3,256,063
Total Expenses	\$ 18,007,842	\$ 18,007,842	\$ 0	\$ 14,143,679	\$ (3,864,163)
Change in Assets	\$ 0	\$ -	\$ (0)	\$ -	\$ -

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

The primary driver for the decrease in the 2009 budget is the conversion of contractor employees into WECC employees. Budgeted payroll benefits for contractors were included in the labor account for 2008. WECC employee payroll benefits, with the exception retention and training costs, are included in the payroll benefits accounts in the General and Administrative budget. These are spread to the Program areas as indirect costs. However, \$270,000 of retention costs and \$58,000 of training costs, which are clearly attributable to the Situational Awareness and Infrastructure Security program, have been budgeted directly.

Meeting Expenses

The travel and meeting budget in 2008 included expenses to complete the establishment of the two new Reliability Coordination Centers. The centers will be operational in 2009, reducing the need for travel and meetings.

Operating Expenses

Operating expenses will decrease due to completion of the Reliability Coordination Centers in 2008. Upfront one-time costs to bring the centers on-line were incurred in 2008. Office costs are budgeted directly to this program due to the separate nature of the Vancouver, Washington and Fort Collins, Colorado Reliability Coordination Centers.

Other Non-Operating Expenses

Other non-operating expenses will increase due to a scheduled line of credit principal and interest payment in early 2009.

Administrative Services

Administrative Services Resources			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	21.0	21.0	32.5
Total Indirect Funding	\$ 6,180,957	\$ 6,180,957	\$14,049,338

Technical Committees and Members' Forums

Background

As noted in the introduction; WECC is governed by a 32-member Board, 25 of which represent member classes. The remaining seven directors are not affiliated with any WECC member or potential member. These Non-affiliated Directors are compensated for their time on the Board and on Board Committees.

Program Description and Functions Performed

Eight Board committees recommend policy on various reliability issues, or handle governance, finance and human resource matters. They are:

- *Operating Transfer Capability Policy Committee* – provides coordinated standards development and determination of seasonal operating transfer capabilities within the Western Interconnection.
- *Transmission Expansion Planning Policy Committee* – oversees database management, provides policy and management of the planning process, and guides the analyses and modeling for the Western Interconnection's transmission expansion planning.
- *Governance and Nominating Committee* – nominates Board candidates and recommends Bylaws and other governance changes.
- *Human Resources and Compensation Committee* – oversees human resources and WECC employee compensation.
- *Reliability Policy Issues Committee* – reviews policy-level reliability issues and develops appropriate recommendations for Board consideration.
- *Reliability Management System Reliability Compliance Committee* – ensures compliance with standards under the WECC Reliability Management System. The committee's responsibilities for the United States have largely been superseded by the WECC CMEP.
- *Finance and Audit Committee* – develops and recommends budgets, and assists the Board in maintaining the integrity of WECC's financial reporting.
- *Reliability Coordination Committee* – provides advice concerning reliability coordination operations, personnel and budget to the WECC Board and the WECC CEO.

Standing Committees

The Joint Guidance Committee – The JGC ensures that the Standing Committees (described below) and associated subcommittees coordinate and communicate regarding electric system reliability and market issues.

Standing Committees:

- *Operating Committee* – The OC advises and makes recommendations to the Board on all WECC-related matters that apply to maintaining reliability through the operation and security of the Western Interconnection interconnected bulk electric power systems. The OC has nine subcommittees.
- *Planning Coordination Committee* – The PCC recommends criteria for determining the adequacy of power supply and for elements of system design that affect the reliability of the interconnected bulk electric power systems. The PCC collects data and studies the operation of the interconnected systems necessary to determine the reliability of the Western regional bulk electric power system. The PCC evaluates proposed facility additions or modifications based on established reliability criteria. The PCC has four subcommittees.
- *Market Interface Committee* – The MIC considers matters pertaining to the impact of reliability standards, practices and procedures on the commercial electricity market in the Western Interconnection and facilitates analysis of the impact of electricity market practices on electric system reliability. The MIC has two subcommittees.

2009 Goals and Objectives

- WECC’s primary goal is to assist the committees in meeting their charters and achieving their goals by providing studies, expert advice and perspective on matters pertaining to the Western Interconnection bulk electric power system. This will be achieved by providing subject matter experts in areas such as planning, system operations, reliability coordination and market interface.
- WECC will continue to provide logistics support for meetings and required postings.

Funding Requirements — Explanation of Increase (Decrease)

The cost of WECC’s Board and the Standing Committees in 2009 is \$2,615,670. The increase in cost is due to the addition of an operations staff position and to increased travel and accommodation expenses. Half of the cost of the Training Manager is included in the Technical Committees and Members’ Forums budget

Staffing Needs

Hiring Plans

The Operating staff position will address WECC’s increasing responsibility and its support role for the OC, and the development and implementation of the permanent Frequency Response Reserves Standard. The Training Manager’s involvement in the development of an improved, training program will benefit all WECC members.

Shared Employees

Not applicable.

Contractors

The Operating Committee has budgeted \$150,000 for upgrades to the Western Interchange Tool software, and to the Unscheduled Flow Mitigation Tool (webSAS). The maintenance for Western Interchange Tool is budgeted at \$564,000.

Technical Committees and Members' Forums

Funding sources and related expenses for the Members' Forums section of the 2009 business plan are shown in the table below.

SOA – Technical Committees and Member Forums

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Technical Committees and Member Forums					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 1,674,211	\$ 1,674,211	\$ -	\$ 2,615,670	\$ 941,459
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 1,674,211	\$ 1,674,211	\$ -	\$ 2,615,670	\$ 941,459
Expenses					
Personnel Expenses					
Salaries	\$ 448,773	\$ 448,773	\$ 0	\$ 607,094	\$ 158,321
Payroll Taxes	29,496	29,496	-	-	(29,496)
Benefits	91,556	91,556	-	19,400	(72,156)
Retirement Costs	27,778	27,778	-	-	(27,778)
Total Personnel Expenses	\$ 597,603	\$ 597,603	\$ 0	\$ 626,494	\$ 28,891
Meeting Expenses					
Meetings	\$ 37,368	\$ 37,368	\$ -	\$ 406,000	\$ 368,632
Travel	45,614	45,614	-	\$ 241,756	196,142
Conference Calls	1,158	1,158	-	\$ 24,440	23,282
Total Meeting Expenses	\$ 84,140	\$ 84,140	\$ -	\$ 672,196	\$ 588,056
Operating Expenses					
Consultants	\$ 213,000	\$ 213,000	\$ (0)	\$ 60,000	\$ (153,000)
Contracts	34,000	34,000	-	714,000	680,000
Office Rent	24,677	24,677	-	-	(24,677)
Office Costs	653,120	653,120	(0)	117,880	(535,240)
Professional Services	30,811	30,811	-	425,100	394,289
Computer Purchase & Maintenance	36,860	36,860	-	-	(36,860)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 992,468	\$ 992,468	\$ (0)	\$ 1,316,980	\$ 324,512
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 1,674,211	\$ 1,674,211	\$ 0	\$ 2,615,670	\$ 941,459
Change in Assets	\$ 0	\$ -	\$ (0)	\$ -	\$ -

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Personnel expenses in 2009 will increase to accommodate the salary costs and benefits associated with the recruitment of an operations staff member. In addition, one half of the Manager of Training's time will be charged to Technical Committees and Members' Forums. Eventually, the cost of the Training Manager will be self-funded by training tuition. For the first year, WECC anticipates that work to develop the expanded training program will be required. This will not generate the revenue required to fully fund the position, but will benefit all members. Training costs attributable for the Operating Committee and the Market Interface Committee are budgeted directly to Technical Committees and Members' Forums.

Meeting Expenses

Meetings and travel expenses have been budgeted at 2007 actual levels. These expenses have been increased for the requirements of new employees and the expected increase in meeting and travel costs. The 2008 amounts appear low because they have been allocated to the programs. Meeting costs are budgeted to the programs in 2009 as direct expenses.

Operating Expenses

Consultant costs have decreased because the Planning and Western Interchange Tool development was budgeted in 2008, but not in 2009. The OC reduced its Consultant budget from \$213,000 in 2008 to \$60,000 in 2009.

Expenses of \$564,000 for the Western Interchange Tool were budgeted within the Office Cost category in 2008 and are budgeted in contracts for 2009.

Professional Services (Non-affiliated Director fees and expenses) were allocated to the program areas in 2008. In 2009, the total of these expenses appear in the Committees and Forums budget.

General and Administrative

Functional Description

The purpose of the General and Administrative staff program area is to provide executive leadership to WECC, and communications and administrative support to WECC staff, committees and members.

2009 Goals and Objectives

The primary goal for the administrative function for 2009 is to increase the level of professionalism of WECC administrative staff, and improve the quality of support provided.

Funding Requirements — Explanation of Increase (Decrease)

Funding requirements for General and Administrative have increased due to the addition of three positions. The significant increase in payroll overheads and benefits in 2009 is due to a reallocation of these expenses from the individual program budgets to the General and Administrative budget. All administrative costs are allocated to the individual program budgets as indirect costs based on FTEs.

Staffing Needs

Hiring Plans

Three positions will be added to the 2009 Budget:

Renewable Resources Position

A senior engineer or analyst is required to provide support on reliability and policy issues with respect to renewable resources in the Western Interconnection in four areas: Transmission Planning, Standard Setting, Operations and Market Interface. This position will provide improved and expanded support to members in accordance with the Strategic Plan. This position will report to the Managing Director of Planning and Standards.

Office Manager

The Strategic Plan identified an opportunity for improvement in the administrative area. As the complexity of the organization increases, it is necessary to enhance the level and quality of the administrative support provided to WECC members and staff. This position is required to provide leadership and direction to the administrative support staff. In addition, this position will assume responsibility for arranging Board of Director and Committee Meetings, document control, and skills development of the administrative staff.

Administrative Assistant, Operating Committee/Standards

A dedicated Administrative Assistant is needed to assist the Operations Group with data entry for the Readiness Evaluation and Disturbance Logs. This assistant will prepare the Daily Status Report, the weekly callout submittals and the annual update to the Remedial Action Scheme. This position will also provide support to OC to ensure Due Process and Meeting Approval items are posted and distributed in a timely and accurate manner as well as to the Standards Group with Standards Posting and distribution. These functions are currently performed by engineers.

Shared Employees

Not applicable.

Contractors

In 2009, \$22,000 specifically related to addressing NERC requests, has been budgeted for minor consulting and administrative projects.

General and Administrative

Funding sources and related expenses for the general and administrative section of the 2009 business plan are shown in the table below.

SOA – General and Administrative

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
General and Administrative					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 2,757,030	\$ 2,757,030	\$ -	\$ 8,501,713	\$ 5,744,683
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	609,400	609,400	-	645,593	36,193
Miscellaneous	8,400	8,400	-	9,300	900
Total Funding	\$ 3,374,830	\$ 3,374,830	\$ -	\$ 9,156,606	\$ 5,781,776
Expenses					
Personnel Expenses					
Salaries	\$ 1,022,801	\$ 1,022,801	\$ (0)	\$ 2,179,735	\$ 1,156,934
Payroll Taxes	(58,731)	(58,732)	(1)	1,270,888	1,329,620
Benefits	251,777	251,777	-	2,518,602	2,266,825
Retirement Costs	76,388	76,388	-	1,146,404	1,070,016
Total Personnel Expenses	\$ 1,292,235	\$ 1,292,234	\$ (1)	\$ 7,115,628	\$ 5,823,394
Meeting Expenses					
Meetings	\$ 68,543	\$ 68,543	\$ -	\$ 5,000	\$ (63,543)
Travel	125,439	125,439	-	293,100	167,661
Conference Calls	3,184	3,184	-	6,000	2,816
Total Meeting Expenses	\$ 197,166	\$ 197,166	\$ -	\$ 304,100	\$ 106,934
Operating Expenses					
Consultants	\$ 525,000	\$ 525,000	\$ -	\$ 22,000	\$ (503,000)
Contracts	15,000	15,000	0	-	(15,000)
Office Rent	67,861	67,861	-	360,000	292,139
Office Costs	61,285	61,285	-	274,378	213,093
Professional Services	84,728	84,728	-	80,500	(4,228)
Computer Purchase & Maintenance	10,614	10,614	-	-	(10,614)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 764,488	\$ 764,488	\$ 0	\$ 736,878	\$ (27,610)
Other Non-Operating Expenses	\$ 1,120,942	\$ 1,120,942	\$ -	\$ 1,000,000	\$ (120,942)
Total Expenses	\$ 3,374,831	\$ 3,374,830	\$ (1)	\$ 9,156,606	\$ 5,781,776
Change in Assets	\$ (1)	\$ -	\$ 1	\$ (0)	\$ (0)

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

The 2008 personnel expenses appear low due to their allocation to the programs as direct costs. In 2009, all administrative costs are reflected in General and Administrative and are allocated to programs as indirect costs.

Meeting Expenses

Meetings expenses have been budgeted in the program areas. In 2008, meeting costs were budgeted in General and Administrative, and allocated as direct costs to the program areas. Travel costs have increased due to the increased number of employees. 2008 travel costs appear lower as a result of discontinuing the allocation of travel costs to the program areas in 2009.

Operating Expenses

In 2008, Information Technology consultants and computer equipment were budgeted in General and Administrative. In 2009, these costs have been budgeted in the IT area.

Office rent and office costs were allocated to the programs as direct costs in 2008. Identifiable office rent costs (for Compliance and the Reliability Coordination Centers) are budgeted in the associated programs' area. In the 2009 budget, the administrative department costs are collected in the General and Administrative area in total and allocated to the programs as indirect costs.

Legal and Regulatory

Functional Description

WECC is establishing a Legal Department to provide coordinated legal services to WECC and to reduce increasing costs associated with outside legal representation. The Legal Department will advise on regulatory and legal issues affecting each WECC department and Committee. The Legal Department will also provide legal interpretations of relevant statutes, regulations, court opinions and regulatory decisions. Routine legal matters will be addressed in-house to reduce overall legal costs and to provide coordinated review of issues that are common across departments. Major efforts may be outsourced to select law firms, but responsibility for all legal matters remains with the General Counsel and Legal Department.

2009 Goals and Objectives

- Provide efficient, cost effective legal support to the Board of Directors, Committees and staff through a combination of in-house and outside resources.
- Update and advise the CEO on pending legal issues.
- Draft separation of function guidelines for WECC and provide advice on their requirements.
- Advise WECC departments on specific legal matters and general matters relating to WECC business.
- Represent WECC in legal and regulatory proceedings.
- Work with internal departments to establish a document management system to track agreements.
- Manage the legal budget by developing a process to review and approve all legal invoices and a tracking system to determine actual legal costs associated with individual projects.
- Expand on bringing legal support in-house through hiring of additional personnel in the legal department.

Funding Requirements — Explanation of Increase (Decrease)

The increase in funding reflects hiring associated with the creation of an in-house legal department which will enhance in-house expertise. This will reduce costs across WECC for professional services at a time when the legal needs are increasing due WECC's new roles.

Staffing Needs

Hiring Plans

WECC's legal department was established in early 2008 with the recruitment of a general counsel. The 2009 budget contains funding for two attorneys and a paralegal.

Shared Employees

Not applicable.

Contractors

Not applicable

Legal and Regulatory

Funding sources and related expenses for the legal and regulatory section of the 2009 business plan are shown in the table below.

SOA – Legal and Regulatory

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Legal and Regulatory					
Funding	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
ERO Assessments	\$ 381,000	\$ 381,000	\$ -	\$ 852,208	\$ 471,208
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 381,000	\$ 381,000	\$ -	\$ 852,208	\$ 471,208
Expenses					
Personnel Expenses					
Salaries	\$ -	\$ -	\$ -	\$ 583,200	\$ 583,200
Payroll Taxes	-	-	-	-	-
Benefits	-	-	-	-	-
Retirement Costs	-	-	-	-	-
Total Personnel Expenses	\$ -	\$ -	\$ -	\$ 583,200	\$ 583,200
Meeting Expenses					
Meetings	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Travel	-	-	-	-	-
Conference Calls	-	-	-	-	-
Total Meeting Expenses	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000
Operating Expenses					
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts	-	-	-	-	-
Office Rent	-	-	-	-	-
Office Costs	-	-	-	-	-
Professional Services	381,000	381,000	(0)	266,008	(114,992)
Computer Purchase & Maintenance	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 381,000	\$ 381,000	\$ (0)	\$ 266,008	\$ (114,992)
Other Non-Operating Expenses					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 381,000	\$ 381,000	\$ (0)	\$ 852,208	\$ 471,208
Change in Assets	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Personnel expenses will increase due to the increase in staffing levels and recruiting costs.

Meeting Expenses

Not applicable.

Operating Expenses

Outside counsel will be retained to address specific issues identified by the General Counsel and where ethical requirements prohibit the participation of Legal Department attorneys.

Information Technology

Functional Description

WECC's Information Technology (IT) consists of systems support including: data, email, telephone systems, and web site maintenance. In addition, IT includes small development projects and contracts with various service providers. It also includes a small staff to administer the IT infrastructure at WECC.

An IT Network Engineer provides desk-side services and network administration to an increasing population of WECC employees based in additional locations. System upgrades have been necessary in 2008 to accommodate this growth. The associated increase in number of computers, telephones, and new data requirements has required the use of contract services from time to time. As a consequence of this growth WECC will increase IT support staff.

2009 Goals and Objectives

The primary goal for 2009 is to manage the growth of the organization and meet customers' expectations for reliable IT infrastructure. Additional goals include:

- Establish a system development life cycle process.
- Establish a requirements-based solution system that improves delivery of small development projects.
- Support the IT requirements created by staff growth in the Salt Lake City and Vancouver offices, and in the new Reliability Coordination Centers.

Funding Requirements — Explanation of Increase (Decrease)

The increase in the 2009 budget is attributable to the IT requirements associated with the two new remote sites at Vancouver, Washington and Fort Collins, Colorado. These requirements include the purchase of new computers, servers, software and licensing. A webmaster position was added to the 2008 budget. Consulting expenses will increase in order to provide support for the SharePoint Server and the network systems within WECC.

Staffing Needs

Hiring Plans

Not applicable.

Shared Employees

Not applicable.

Contractors

Consulting expenses will increase as a consequence of supporting the SharePoint Server and the network systems within the organization. WECC will continue to rely on consultants on an as needed basis throughout 2009. These costs were budgeted in the General and Administration area in 2008 and are budgeted in IT for 2009.

Information Technology

Funding sources and related expenses for the information technology section of the 2009 business plan are shown in the table below.

SOA – Information Technology

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Information Technology					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 406,067	\$ 406,067	\$ -	\$ 1,005,207	\$ 599,140
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 406,067	\$ 406,067	\$ -	\$ 1,005,207	\$ 599,140
Expenses					
Personnel Expenses					
Salaries	\$ 174,888	\$ 174,888	\$ -	\$ 208,467	\$ 33,579
Payroll Taxes	22,123	22,123	-	-	(22,123)
Benefits	68,667	68,667	-	-	(68,667)
Retirement Costs	20,837	20,837	-	-	(20,837)
Total Personnel Expenses	\$ 286,515	\$ 286,515	\$ -	\$ 208,467	\$ (78,048)
Meeting Expenses					
Meetings	\$ 28,026	\$ 28,026	\$ -	\$ -	\$ (28,026)
Travel	34,211	34,211	-	-	(34,211)
Conference Calls	868	868	-	-	(868)
Total Meeting Expenses	\$ 63,105	\$ 63,105	\$ -	\$ -	\$ (63,105)
Operating Expenses					
Consultants	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Contracts	-	-	-	300,000	300,000
Office Rent	18,508	18,508	-	-	(18,508)
Office Costs	11,937	11,937	-	77,660	65,723
Professional Services	23,107	23,107	-	-	(23,107)
Computer Purchase & Maintenance	2,895	2,895	-	394,080	391,185
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 56,447	\$ 56,447	\$ -	\$ 796,740	\$ 740,293
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 406,067	\$ 406,067	\$ -	\$ 1,005,207	\$ 599,140
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Personnel expenses will increase due to the increase in the number of computers, telephones, and new data requirements.

Meeting Expenses

Not applicable.

Operating Expenses

The increase in operating expenses is attributable to the growth of the organization and the associated need for new computers, servers, software and licensing. Consulting expenses will increase as a consequence of supporting the SharePoint Server and the network systems within the organization. These expenses were budgeted in the General and Administrative budget in 2008. For 2009, they appear in the IT budget.

Human Resources

Functional Description

Since 2006, WECC has grown from 46 employees to a projected 144 total employees by the end of 2009. WECC's Human Resources (HR) functions are presently carried out by the Director of Human Resources and an HR Assistant. This HR team is responsible for all human resources functions, including management advice and counsel, recruitment, staffing, compensation, benefits, safety and health, payroll, employee relations, and employee training and development.

As the headcount growth levels off, the focus will turn from recruitment toward employee development and retention, as well as establishing and documenting the HR processes and systems needed to effectively support the larger organization size while minimizing cost.

2009 Goals and Objectives

The department's objective is to provide effective HR support to WECC management and employees by developing and implementing policies, programs and services that contribute to the attainment of the organization and individual employee goals.

Funding Requirements — Explanation of Increase (Decrease)

The 2009 HR budget of \$264,600 reflects an increase from 2008 due to the recruitment of an HR generalist and the movement of the HR administrative assistant from the General and Administrative budget to the HR program area. All other expenses are budgeted as part of the WECC General and Administrative category.

Staffing Needs

Hiring Plans

An HR generalist is budgeted to be hired in 2009. This position will provide day-to-day support for the Reliability Coordination Centers in Vancouver, Washington and Fort Collins, Colorado.

Shared Employees

Not applicable.

Contractors

No contractors are anticipated in 2009.

Human Resources

Funding sources and related expenses for the human resources section of the 2009 business plan are shown in the table below.

SOA – Human Resources

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Human Resources					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 201,571	\$ 201,571	\$ -	\$ 264,600	\$ 63,029
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 201,571	\$ 201,571	\$ -	\$ 264,600	\$ 63,029
Expenses					
Personnel Expenses					
Salaries	\$ 124,510	\$ 124,510	\$ -	\$ 264,600	\$ 140,090
Payroll Taxes	7,374	7,374	-	-	(7,374)
Benefits	22,890	22,890	-	-	(22,890)
Retirement Costs	6,946	6,946	-	-	(6,946)
Total Personnel Expenses	\$ 161,720	\$ 161,720	\$ -	\$ 264,600	\$ 102,880
Meeting Expenses					
Meetings	\$ 9,342	\$ 9,342	\$ -	\$ -	\$ (9,342)
Travel	11,404	11,404	-	-	(11,404)
Conference Calls	289	289	-	-	(289)
Total Meeting Expenses	\$ 21,035	\$ 21,035	\$ -	\$ -	\$ (21,035)
Operating Expenses					
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts	-	-	-	-	-
Office Rent	6,169	6,169	-	-	(6,169)
Office Costs	3,980	3,980	-	-	(3,980)
Professional Services	7,702	7,702	-	-	(7,702)
Computer Purchase & Maintenance	965	965	-	-	(965)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 18,816	\$ 18,816	\$ -	\$ -	\$ (18,816)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 201,571	\$ 201,571	\$ -	\$ 264,600	\$ 63,029
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

Three employees with a budgeted salary of \$264,600.

Meeting Expenses

No specific HR meeting costs are budgeted, other than travel for training or other business travel.

Operating Expenses

Included in the WECC General and Administrative budget.

Finance and Accounting

Functional Description

The Finance and Accounting function provides accounting, accounts payable and budgeting support to WECC.

2009 Goals and Objectives

Goals for 2009 include:

- Drafting and implementing financial policies.
- Providing backup for all financial duties.
- Increasing the level of understanding by WECC Directors and staff of the WECC budgeting process and the actual costs of their departments.

Funding Requirements — Explanation of Increase (Decrease)

An additional position has been added to provide backup for the existing accountant and to allow an increased focus on budgeting and expense forecasting.

Staffing Needs

Hiring Plans

Increased emphasis from NERC and FERC on quarterly financial reporting and emphasis from WECC management on monthly variance analysis and expense forecasting will require additional accounting resources. Consequently, one accountant position has been added to the 2009 budget. The addition of 82 employees since December of 2007 and two Reliability Coordination Centers will increase the Accounts Payable and employee expense payment workload. It is also important that backup for the lone existing accountant be developed to ensure continuity. This additional position is required to accomplish all of these tasks.

Shared Employees

Not applicable.

Contractors

Not applicable.

Finance and Accounting

Funding sources and related expenses for the accounting and finance section of the 2009 business plan are shown in the table below.

SOA – Finance and Accounting

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
Finance and Accounting					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	\$ 143,277	\$ 143,277	\$ -	\$ 155,047	\$ 11,770
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 143,277	\$ 143,277	\$ -	\$ 155,047	\$ 11,770
Expenses					
Personnel Expenses					
Salaries	\$ 66,216	\$ 66,216	\$ -	\$ 155,047	\$ 88,831
Payroll Taxes	7,374	7,374	-	-	(7,374)
Benefits	22,890	22,890	-	-	(22,890)
Retirement Costs	6,946	6,946	-	-	(6,946)
Total Personnel Expenses	\$ 103,426	\$ 103,426	\$ -	\$ 155,047	\$ 51,621
Meeting Expenses					
Meetings	\$ 9,342	\$ 9,342	\$ -	\$ -	\$ (9,342)
Travel	11,404.0	11,404	-	-	(11,404)
Conference Calls	289.0	289	-	-	(289)
Total Meeting Expenses	\$ 21,035	\$ 21,035	\$ -	\$ -	\$ (21,035)
Operating Expenses					
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts	-	-	-	-	-
Office Rent	6,169	6,169	-	-	(6,169)
Office Costs	3,980	3,980	-	-	(3,980)
Professional Services	7,702	7,702	-	-	(7,702)
Computer Purchase & Maintenance	965	965	-	-	(965)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 18,816	\$ 18,816	\$ -	\$ -	\$ (18,816)
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 143,277	\$ 143,277	\$ -	\$ 155,047	\$ 11,770
Change in Assets	\$ -	\$ -	\$ -	\$ -	\$ -

Summary of 2008 and 2009 Budgeted Funding and Expenses

Funding and expenses in this section provide for the following items to meet the objectives as defined on page 8 of this business plan.

Funding Sources

Statutory funding.

Personnel Expenses

The number of employees will increase to two.

Meeting Expenses

None.

Operating Expenses

These expenses are provided in the General and Administrative budget.

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Section B – 2009 Budget

2008 Budget and Projection and 2009 Budget Comparisons

Table 1: 2008 Budget & Projection/2009 Budget Comparisons (Statutory)

Statement of Activities					
2008 Budget & Projection, and 2009 Budget					
STATUTORY					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Assessments	26,596,512	\$ 26,596,512	\$ -	\$ 37,088,502	\$ 10,491,990
Membership Dues	-	-	-	-	-
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	85,082	85,082
Workshops	726,090	726,090	-	863,290	137,200
Interest	609,400	609,400	-	645,593	36,193
Miscellaneous	5,860,814	5,860,814	-	9,300	(5,851,514)
Total Funding	\$ 33,792,816	\$ 33,792,816	\$ -	\$ 38,691,767	\$ 4,898,951
Expenses					
Personnel Expenses					
Salaries	\$ 10,725,827	\$ 10,725,828	\$ 1	\$ 15,624,378	\$ 4,898,550
Payroll Taxes	776,154	776,153	(1)	1,270,888	494,735
Benefits	2,695,497	2,695,497	0	3,185,702	490,205
Retirement Costs	416,743	416,743	(0)	1,146,404	729,661
Total Personnel Expenses	\$ 14,614,221	\$ 14,614,221	\$ 0	\$ 21,227,371	\$ 6,613,150
Meeting Expenses					
Meetings	\$ 738,597	\$ 738,597	\$ -	\$ 1,187,650	\$ 449,053
Travel	930,982	930,982	-	1,526,096	595,114
Conference Calls	116,497	116,497	-	151,076	34,579
Total Meeting Expenses	\$ 1,786,076	\$ 1,786,076	\$ -	\$ 2,864,822	\$ 1,078,746
Operating Expenses					
Consultants	\$ 5,375,333	\$ 5,375,333	\$ (0)	\$ 2,066,300	\$ (3,309,033)
Contracts	3,022,792	3,022,792	(0)	1,857,568	(1,165,224)
Office Rent	753,871	753,871	-	977,832	223,961
Office Costs	1,697,228	1,697,228	(0)	3,405,122	1,707,894
Professional Services	1,653,821	1,653,821	(0)	1,520,608	(133,213)
Computer Purchase & Maintenance	3,768,532	3,768,532	-	516,080	(3,252,452)
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 16,271,578	\$ 16,271,577	\$ (1)	\$ 10,343,510	\$ (5,928,067)
Other Non-Operating Expenses	\$ -	\$ 1,120,942	\$ 1,120,942	\$ 4,256,063	\$ 3,135,121
Total Expenses	\$ 32,671,874	\$ 33,792,816	\$ 1,120,942	\$ 38,691,767	\$ 4,898,951
Change in Assets	\$ 1,120,942	\$ -	\$ (1,120,942)	\$ 0	\$ 0

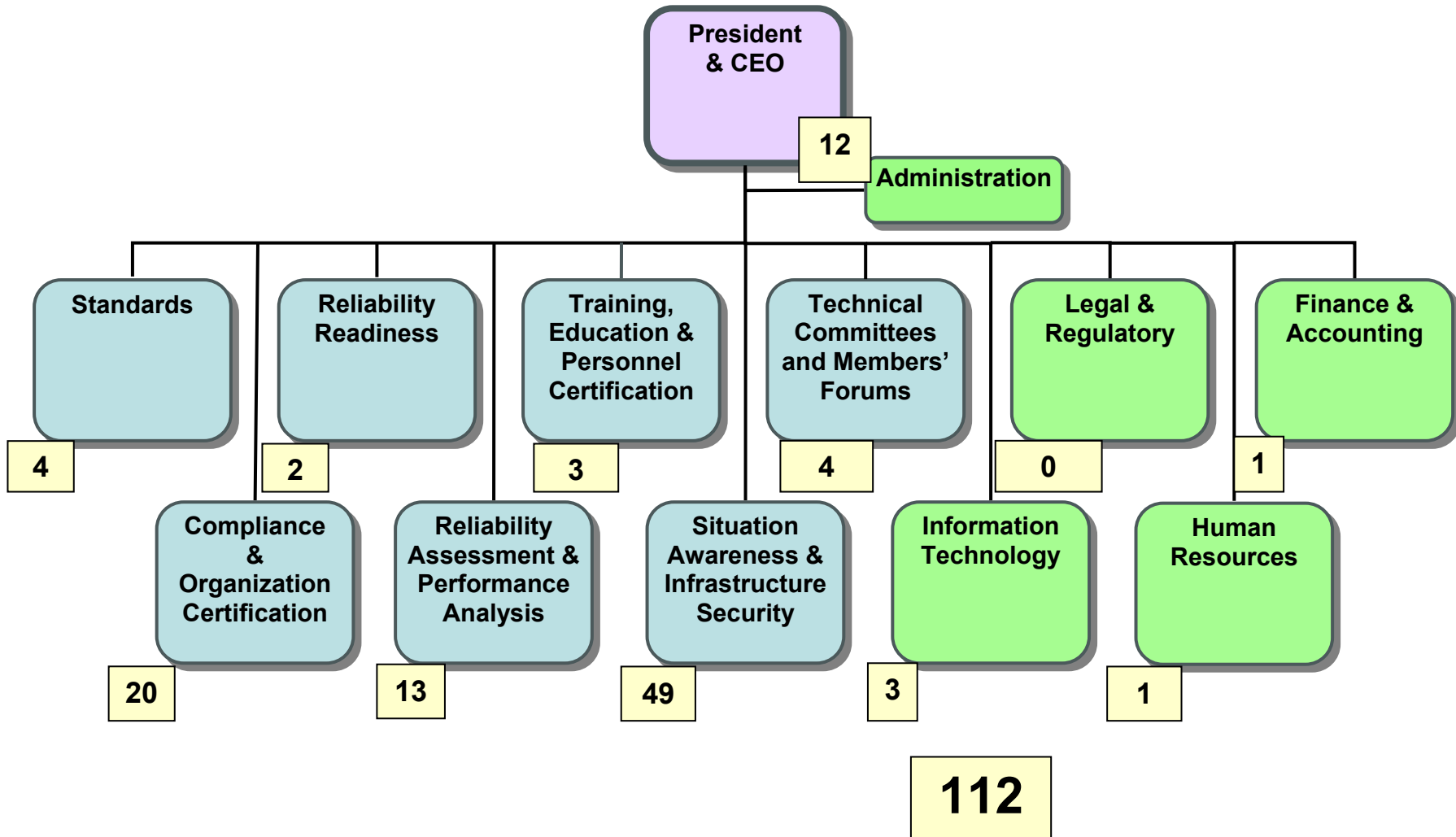
Personnel Analysis

Personnel Analysis: Statutory

Total FTE's by Program Area	Budget 2008	Projection 2008	Budget 2009	Change from Projection
STATUTORY				
Operational Programs				
Reliability Standards	4.0	4.0	4.0	0.0
Compliance and Organization Registration and Certification	20.0	20.0	30.0	10.0
Reliability Readiness Audit and Improvement	2.0	2.0	2.0	0.0
Training and Education	3.0	3.0	3.5	0.5
Reliability Assessment and Performance Analysis	13.0	13.0	14.0	1.0
Situational Awareness and Infrastructure Security	49.0	49.0	54.0	5.0
Total FTEs Operational Programs	91.0	91.0	107.5	16.5
Administrative Programs				
Member Forums	4.0	4.0	5.5	1.5
General & Administrative	12.0	12.0	15.0	3.0
Information Technology	3.0	3.0	3.0	0.0
Legal and Regulatory	0.0	0.0	4.0	4.0
Human Resources	1.0	1.0	3.0	2.0
Accounting	1.0	1.0	2.0	1.0
Total FTEs Administrative Programs	21.0	21.0	32.5	11.5
Total FTEs	112.0	112.0	140.0	28.0

2008 WECC FTE Chart

2008 WECC FTE Chart

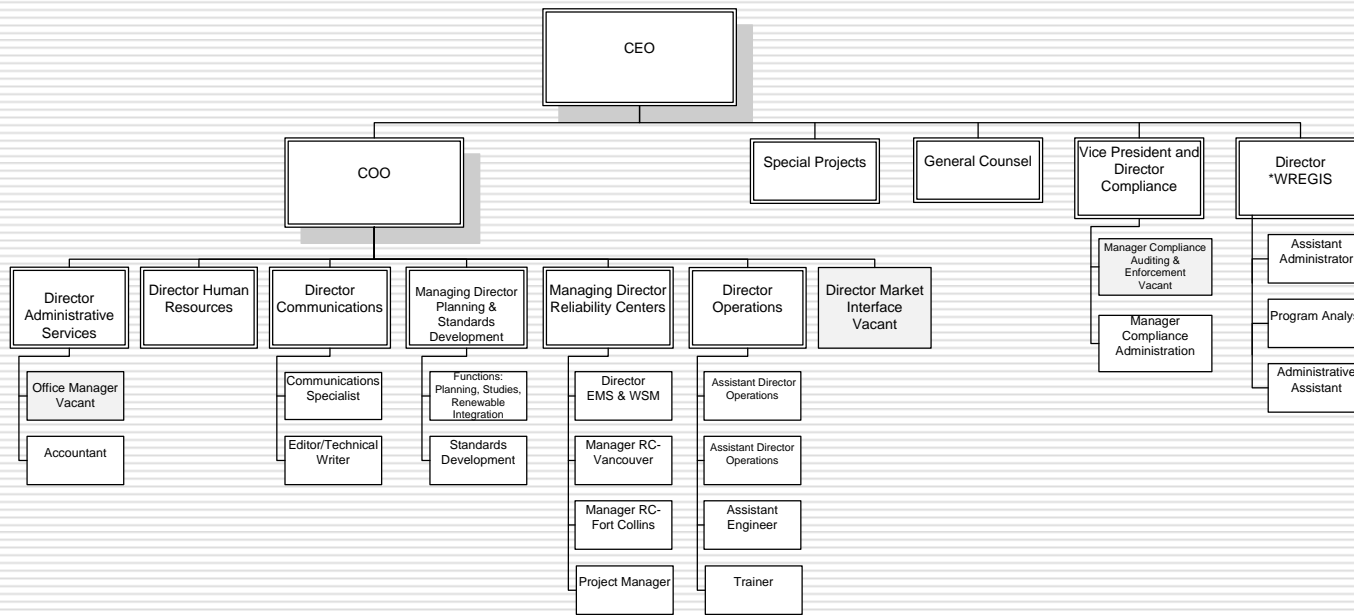


2008 WECC Organizational Chart

2008 WECC Organizational Chart (Statutory and Non-Statutory)



Management



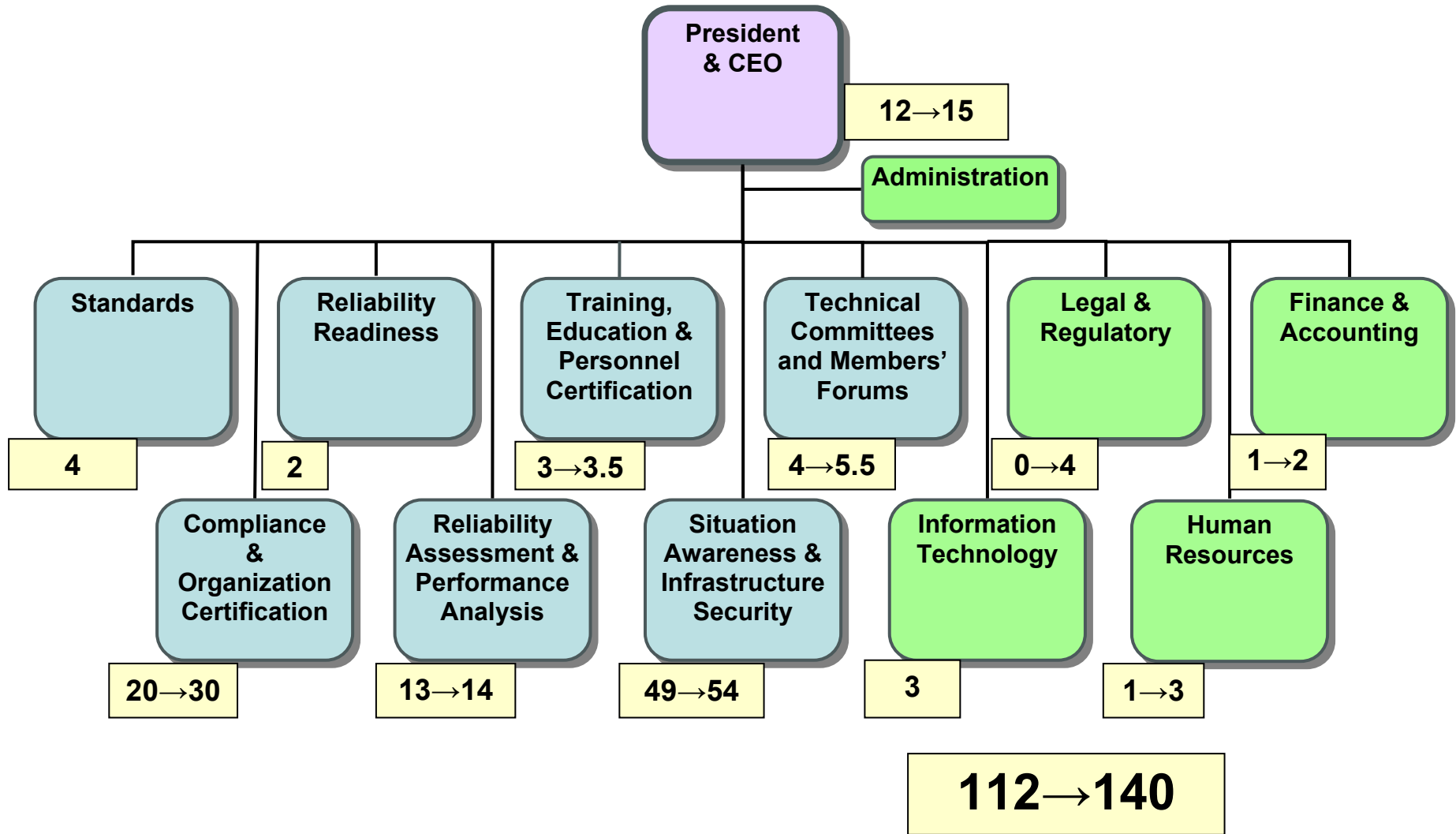
*WREGIS is non statutory

2008 Budget View

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2009 WECC FTE Chart

2009 WECC FTE Chart

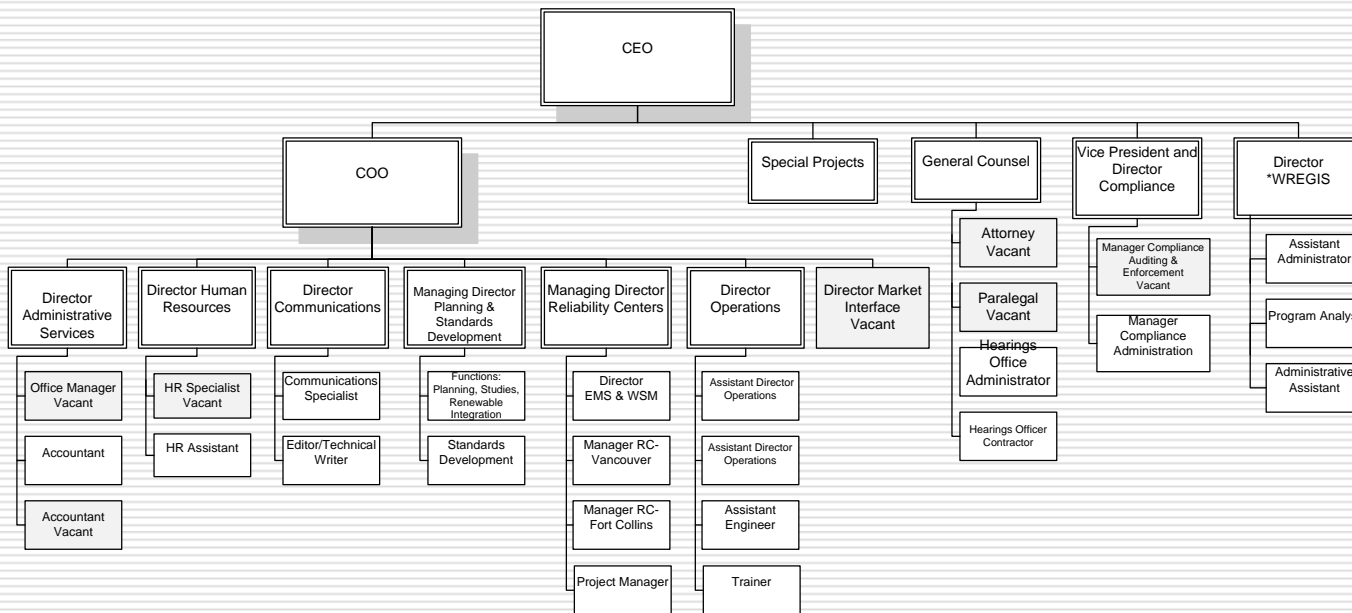


2009 WECC Organizational Chart

2009 WECC Organizational Chart (Statutory and Non-Statutory)



Management



*WREGIS is non statutory

Reserve Balance

Table 5: Reserve Analysis 2008-2009: Statutory

Working Capital Reserve Analysis 2008-2009	
STATUTORY	
Beginning Working Capital Reserve (Deficit), December 31, 2007	1 (875,648)
Plus: 2008 ERO Funding (from LSEs or designees)	26,596,512
Plus: 2008 Other funding sources (Cash basis)	7,196,304
Less: 2008 projected expenses & capital expenditures (Cash basis)	(33,792,816)
Projected Working Capital Reserve (Deficit), December 31, 2008	<u>(875,648)</u>
Desired Working Capital Reserve (Deficit), December 31, 2009	124,352
Less: Projected Working Capital Reserve (Deficit), December 31, 2008	(875,648)
Increase(decrease) in assessments to achieve desired Working Capital Reserve	2 <u>1,000,000</u>
2009 Assessment for Expenses and Capital Expenditures, excluding Working Capital Reserve (Cash basis)	34,435,704
2009 Assessment (Non-Operating Expenses)	3,256,063
Less: Other funding sources (Cash basis)	(1,603,265)
Adjustment to achieve desired Working Capital Reserve	<u>1,000,000</u>
2009 Assessment	<u>37,088,502</u>

¹ The 2007 Net Loss was funded by WECC's Non-Statutory Reserves.

² The WECC Board of Directors approved the Finance and Audit Committee's recommended increase of \$1,000,000 to achieve the desired working capital reserve.

Regional Entity Assessment Analysis
Assessments by Country

Table 6: Assessments by Country

Data Year	Balancing Authority	Total NEL	U.S. NEL	Canada NEL	Mexico NEL	% of RE Total	% of US Total	% of Canada Total	% of Mexico Total
2007	Alberta Electric System Operator	57,849,552		57,849,552		6.66	0.000	0.067	0.000
2007	Arizona Public Service Company - APS	33,513,680	33,513,680			3.86	0.039	0.000	0.000
2007	Avista Corp.	12,341,529	12,341,529			1.42	0.014	0.000	0.000
2007	Bonneville Power Administration	51,610,906	51,610,906			5.94	0.059	0.000	0.000
2007	British Columbia Transmission Corporation	62,533,820		62,533,820		7.20	0.000	0.072	0.000
2007	California Independent System Operator	240,314,962	240,314,962			27.67	0.277	0.000	0.000
2007	Comision Federal de Electricidad	10,509,421			10,509,421	1.25	0.000	0.000	0.012
2007	DEAA	0				0.00	0.000	0.000	0.000
2007	El Paso Electric Company	7,690,464	7,690,464			0.89	0.009	0.000	0.000
2007	Gila River Power, LP	0				0.00	0.000	0.000	0.000
2007	Harquahala	0				0.00	0.000	0.000	0.000
2007	Idaho Power Company	17,182,755	17,182,755			1.98	0.020	0.000	0.000
2007	Imperial Irrigation District	3,716,444	3,716,444			0.43	0.004	0.000	0.000
2007	Los Angeles Department of Water and Power - LDWP	29,981,096	29,981,096			3.45	0.035	0.000	0.000
2007	Nevada Power	25,176,508	25,176,508			2.90	0.029	0.000	0.000
2007	NorthWestern Energy	10,388,047	10,388,047			1.20	0.012	0.000	0.000
2007	PacifiCorp (PACE)	45,805,560	45,805,560			5.27	0.053	0.000	0.000
2007	PacifiCorp (PACW)	26,436,107	26,436,107			3.04	0.031	0.000	0.000
2007	Portland General Electric Company - PGE	20,941,556	20,941,556			2.41	0.024	0.000	0.000
2007	Public Service Company of Colorado (Xcel)	41,700,582	41,700,582			4.80	0.048	0.000	0.000
2007	Public Service Company of New Mexico	14,710,158	14,710,158			1.69	0.017	0.000	0.000
2007	Public Utility District No. 1 of Chelan County	3,250,788	3,250,788			0.37	0.004	0.000	0.000
2007	Public Utility District No. 1 of Douglas County	1,460,755	1,460,755			0.17	0.002	0.000	0.000
2007	Public Utility District No. 2 of Grant County	3,385,852	3,385,852			0.39	0.004	0.000	0.000
2007	Puget Sound Energy	25,429,427	25,429,427			2.93	0.029	0.000	0.000
2007	SMUD Utility - SMUD	18,015,012	18,015,012			2.07	0.021	0.000	0.000
2007	Salt River Project	29,385,216	29,385,216			3.38	0.034	0.000	0.000
2007	Seattle City Light	10,242,947	10,242,947			1.18	0.012	0.000	0.000
2007	Sierra Pacific Resource Transmission	12,000,483	12,000,483			1.38	0.014	0.000	0.000
2007	Tacoma Power	5,008,502	5,008,502			0.58	0.006	0.000	0.000
2007	Tucson Electric Power Company	11,558,732	11,558,732			1.33	0.013	0.000	0.000
2007	Turlock Irrigation District	2,509,502	2,509,502			0.29	0.003	0.000	0.000
2007	Western Area Power Administration - Billings, MT	20,858,222	20,858,222			2.40	0.024	0.000	0.000
2007	Western Area Power Administration - Loveland, CO	12,127,495	12,127,495			1.40	0.014	0.000	0.000
2007	Western Area Power Administration - Phoenix, AZ	631,220	631,220			0.07	0.001	0.000	0.000
		868,267,300	737,374,507	120,383,372	10,509,421	100.00	0.847	0.139	0.012

Breakdown by Statement of Activity Sections

The following detailed schedules are in support of the 2008 Budget and Projection and 2009 Budget Comparisons on page 62 of the 2009 WECC Business Plan and Budget. All significant variances have been disclosed by program area in the preceding pages.

Supplemental Funding

Table B1: Outside Funding Breakdown by Program

Outside Funding Breakdown By Program (excluding ERO Assessments)	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Reliability Assessment and Performance Analysis					
	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	
Training and Education					
Workshops - Training	\$ 175,554	\$ 175,554	\$ 70,000	\$ -	-60.13%
Workshops -Nnon-Training	20,501	20,501	-	-	-100.00%
Operator training	530,035	530,035	793,290	233,000	49.67%
Total	\$ 726,090	\$ 726,090	\$ 863,290	\$ 233,000	18.90%
Situational Awareness and Infrastructure Security					
	\$ -	\$ -	\$ -	\$ 2,500	
	-	-	-	-	
Total	\$ -	\$ -	\$ -	\$ 2,500	
Reliability Assessment & Performance Analysis					
Contract Services- Desert Southwest	\$ -	\$ -	\$ 85,082	\$ -	
Total	\$ -	\$ -	\$ 85,082	\$ -	
General and Administrative					
Interest Income	\$ 609,400	\$ 609,400	\$ 645,593	\$ 20,000	5.94%
Misc.	8,400	8,400	9,300		
Total	\$ 617,800	\$ 617,800	\$ 654,893	\$ 20,000	6.00%
Total Outside Funding	\$ 1,343,890	\$ 1,343,890	\$ 1,603,265	\$ 255,500	19.30%

Personnel Expenses

Table B2: Personnel Expenses

Personnel Expenses	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Salaries					
Salary	\$ 10,674,910	\$ 10,674,910	\$ 15,456,162	\$ 4,781,252	44.79%
Employment Agency Fees	-	-	-	-	
Temporary Office Services	50,917	50,917	168,216	117,299	230.37%
Total Salaries	\$ 10,725,827	\$ 10,725,827	\$ 15,624,378	\$ 4,898,551	45.67%
Payroll Taxes					
FICA	\$ 730,386	\$ 730,386	\$ 1,270,888	\$ 540,502	74.0%
Medicare	31,646	31,646	-	(31,646)	-100.0%
SUI	10,648	10,648	-	(10,648)	-100.0%
FUI	3,474	3,474	-	(3,474)	-100.0%
Total Payroll Taxes	\$ 776,154	\$ 776,154	\$ 1,270,888	\$ 494,734	63.7%
Benefits					
Workers Compensation	\$ 88,093	\$ 88,093	\$ 205,843	\$ 117,750	133.7%
Medical Insurance	1,427,694	1,427,694	2,069,831	642,137	45.0%
Life-LTD Insurance	37,479	37,479	123,231	85,752	228.8%
Education	432,440	432,440	313,797	(118,643)	-27.4%
Relocation	709,791	709,791	473,000	(236,791)	-33.4%
Total Benefits	\$ 2,695,497	\$ 2,695,497	\$ 3,185,702	\$ 490,205	18.2%
Retirement					
Profit Sharing Plan / SERP	\$ 416,743	\$ 416,743	\$ 1,146,404	\$ 729,661	175.1%
Savings Plan	-	-	-	-	
Total Retirement	\$ 416,743	\$ 416,743	\$ 1,146,404	\$ 729,661	175.1%
Total Personnel Costs	\$ 14,614,221	\$ 14,614,221	\$ 21,227,371	\$ 6,613,150	45.3%

Meeting Expenses

Table B3: Meeting Expenses

Meeting Expenses

Meeting Expenses by Business Plan Category	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Reliability Standards	\$ 32,826	\$ 32,826	\$ 22,200	\$ (10,626)	-32.37%
Compliance and Organization Registration and Certification	121,447	121,447	380,000	258,553	212.89%
Reliability Readiness Audit and Improvement	18,684	18,684	0	(18,684)	-100.00%
Reliability Assessment and Performance Analysis	121,447	121,447	135,450	14,003	11.53%
Training and Education	263,546	263,546	236,000	(27,546)	-10.45%
Situational Awareness and Infrastructure Security	28,026	28,026	-	(28,026)	-100.00%
Committee and Member Forums	37,368	37,368	406,000	368,632	986.49%
General and Administrative	68,543	68,543	5,000	(63,543)	-92.71%
Legal and Regulatory	-	-	3,000	3,000	
Information Technology	28,026	28,026	-	(28,026)	-100.00%
Human Resources	9,342	9,342	-	(9,342)	-100.00%
Accounting and Finance	9,342	9,342	-	(9,342)	-100.00%
Total Meeting Expenses	\$ 738,597	\$ 738,597	\$ 1,187,650	\$ 449,053	60.80%

Travel Expenses by Business Plan Category	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Reliability Standards	\$ 34,211	\$ 34,211	\$ 11,520	\$ (22,691)	-66.33%
Compliance and Organization Registration and Certification	252,244	252,244	689,090	436,846	173.18%
Reliability Readiness Audit and Improvement	22,807	22,807	29,400	6,593	28.91%
Reliability Assessment and Performance Analysis	148,246	148,246	119,330	(28,916)	-19.51%
Training and Education	51,611	51,611	45,900	(5,711)	-11.07%
Situational Awareness and Infrastructure Security	193,791	193,791	96,000	(97,791)	-50.46%
Committee and Member Forums	45,614	45,614	241,756	196,142	430.00%
General and Administrative	125,439	125,439	293,100	167,661	133.66%
Legal and Regulatory	-	-	-	-	
Information Technology	34,211	34,211	-	(34,211)	-100.00%
Human Resources	11,404	11,404	-	(11,404)	-100.00%
Accounting and Finance	11,404	11,404	-	(11,404)	-100.00%
Total Travel Expenses	\$ 930,982	\$ 930,982	\$ 1,526,096	\$ 595,114	63.92%

Conference Call Expenses by Business Plan Category	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Reliability Standards	\$ 868	\$ 868	\$ 5,832	\$ 4,964	571.89%
Compliance and Organization Registration and Certification	103,763	103,763	75,004	(28,759)	-27.72%
Reliability Readiness Audit and Improvement	579	579	-	(579)	-100.00%
Reliability Assessment and Performance Analysis	3,763	3,763	32,000	28,237	750.39%
Training and Education	868	868	3,000	2,132	245.62%
Situational Awareness and Infrastructure Security	868	868	4,800	3,932	453.00%
Committee and Member Forums	1,158	1,158	24,440	23,282	2010.54%
General and Administrative	3,184	3,184	6,000	2,816	88.44%
Legal and Regulatory	-	-	-	-	
Information Technology	868	868	-	(868)	-100.00%
Human Resources	289	289	-	(289)	-100.00%
Accounting and Finance	289	289	-	(289)	-100.00%
Total Conference Calls	\$ 116,497	\$ 116,497	\$ 151,076	\$ 34,579	29.68%

Operating Expenses

Table B4: Operating Expenses

Consultants	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Consultants					
Reliability Standards	\$ -	\$ -	\$ 28,800	\$ 28,800	
Compliance and Organization Registration and Certification	200,000	200,000	1,129,500	929,500	464.75%
Reliability Readiness Audit and Improvement	32,500	32,500	25,000		
Reliability Assessment and Performance Analysis	254,568	254,568	683,000	428,432	168.30%
Training and Education	8,400	8,400	51,000	42,600	507.14%
Situational Awareness and Infrastructure Security	4,141,865	4,141,865	42,000	(4,099,865)	-98.99%
Member Forum Consultants	213,000	213,000	60,000	(153,000)	-71.83%
General & Administration	525,000	525,000	22,000	(503,000)	-95.81%
Legal & Regulatory	-	-	-		
Information & Technology	-	-	25,000		
Human Resources	-	-	-		
Accounting & Finance	-	-	-		
Consultants Total	\$ 5,375,333	\$ 5,375,333	\$ 2,066,300	\$ (3,326,533)	-61.56%

Section B — 2009 Regional Entity Budget

Table B5: Contracts

Contracts	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Contracts - Software					
				\$	
Reliability Standards	-			-	
Compliance and Organization Registration and Cert	746,000	746,000	25,000	(721,000)	-96.65%
Reliability Readiness Audit and Improvement	-			-	
Reliability Assessment and Performance Analysis	588,000	588,000	294,568	(293,432)	-49.90%
Training and Education	18,400	18,400	38,000	19,600	106.52%
Situational Awareness and Infrastructure Security	1,621,392	1,621,392	486,000	(1,135,392)	-70.03%
Committee and Member Forums	34,000	34,000	714,000	680,000	2000.00%
General and Administrative	15,000	15,000	-	(15,000)	-100.00%
Legal and Regulatory	-			-	
Information Technology	-		300,000	300,000	
Human Resources	-			-	
Accounting and Finance	-			-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
Contracts - Software Total	<u>\$ 3,022,792</u>	<u>\$ 3,022,792</u>	<u>\$ 1,857,568</u>	<u>\$ (1,165,224)</u>	<u>-38.55%</u>
Contract - IDC					
				\$	
				-	
				-	
				-	
				-	
				-	
				-	
Contracts - IDC Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
				\$	
				-	
				-	
				-	
Education and Training Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Contracts Total	<u>\$ 3,022,792</u>	<u>\$ 3,022,792</u>	<u>\$ 1,857,568</u>	<u>\$ (1,165,224)</u>	<u>-38.55%</u>

Section B — 2009 Regional Entity Budget

Table B6: Office Rent

Office Rent	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Office Rent	\$ 753,871	\$ 753,871	\$ 977,832	\$ 223,961	29.71%
Utilities	\$ -	\$ -	\$ -	\$ -	
Maintenance	\$ -	\$ -	\$ -	\$ -	
Security	\$ -	\$ -	\$ -	\$ -	
Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	
Total Office Rent	\$ 753,871	\$ 753,871	\$ 977,832	\$ 223,961	29.71%

Table B7: Office Costs

Office Costs	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Telephone	\$ 82,251	\$ 82,251	\$ 145,710	\$ 63,459	77.15%
Internet	74,719	74,719	1,609,960	\$ 1,535,241	2054.69%
Office Supplies	197,265	197,265	202,704	\$ 5,439	2.76%
Computer Supplies and Maintenance	1,258,227	1,258,227	1,021,460	\$ (236,767)	-18.82%
Publications & Subscriptions	11,001	11,001	20,100	\$ 9,099	82.71%
Dues	-	-	-	\$ -	
Postage	12,041	12,041	6,504	\$ (5,537)	-45.98%
Express Shipping	10,988	10,988	28,096	\$ 17,108	155.70%
Copying	36,434	36,434	57,100	\$ 20,666	56.72%
Reports - Graphics	5,301	5,301	8,000	\$ 2,699	50.91%
Stationary Forms	-	-	-	\$ -	
Equipment Repair/Service Contracts	7,199	7,199	250,400	\$ 243,201	3378.26%
Bank Charges	-	-	-	\$ -	
Sales & Use Taxes	1,802	1,802	55,088	\$ 53,286	2957.05%
Merchant Card Fees	-	-	-	\$ -	
Presentation & Publicity	-	-	-	\$ -	
Total Office Costs	\$ 1,697,228	\$ 1,697,228	\$ 3,405,122	\$ 1,707,894	100.63%

Table B8: Professional Services

Professional Services	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Independent Trustee Fees	\$ 368,039	\$ 368,039	\$ 539,100	\$ 171,061	46.48%
Outside Legal	674,782	674,782	361,008	\$ (313,774)	-46.50%
Accounting & Auditing Fees	20,998	20,998	30,500	\$ 9,502	45.25%
Other Legal Fees	-	-	-	\$ -	
Insurance Commercial	590,002	590,002	590,000	\$ (2)	0.00%
Total Services	\$ 1,653,821	\$ 1,653,821	\$ 1,520,608	\$ (133,213)	-8.05%

Table B9: Computer Expenses

Computer	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Computer Purchase and Lease	\$ 3,768,532	\$ 3,768,532	\$ 516,080	\$ (3,252,452)	-86.31%
Total Computer	\$ 3,768,532	\$ 3,768,532	\$ 516,080	\$ (3,252,452)	-86.31%

Table B10: Furniture & Equipment

Furniture & Equipment	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Furniture	\$ -	\$ -	\$ -	\$ -	
Equipment	-	-	-	\$ -	
Total Furniture & Fixtures	\$ -	\$ -	\$ -	\$ -	

Table B11: Other Non-Operating Expenses

Other Non-Operating Expenses	Budget 2008	Projection 2008	Budget 2009	Variance	Variance %
Interest Expense	\$ -	\$ -	\$ 329,856	\$ 329,856	
Loan Payment	-	-	2,926,207	\$ 2,926,207	
Addition to Reserve	1,120,942	1,120,942	1,000,000	\$ (120,942)	
Total Other Non-Operating Expenses	\$ 1,120,942	\$ 1,120,942	\$ 4,256,063	\$ 3,135,121	279.69%

Section C – 2009 WECC Non-Statutory Business Plan and Budget

Western Renewable Energy Generation Information System (WREGIS)

Western Renewable Energy Generation Information System (WREGIS)			
(in whole dollars)			
	2008 Budget	2008 Projection	2009 Budget
Total FTEs	3	3	4
Total Direct Funding	\$480,710	\$480,710	\$798,197
Total Indirect Funding	-	-	-
Total Funding	\$480,710	\$480,710	\$798,197

The Western Renewable Energy Generation Information System (WREGIS) is an independent, renewable energy database for the region covered by the Western Interconnection. WREGIS creates renewable energy certificates (WREGIS certificates) for verifiable renewable generation from units that register in the database.

WREGIS was developed as a collaborative process between the Western Governors' Association, the Western Regional Air Partnership, and the California Energy Commission. This development was further guided by stakeholder input from more than 400 participants over a period of more than three years. WREGIS is governed by a seven-member committee, consisting of representatives from various stakeholder groups. WECC is the administrative home of WREGIS.

WREGIS costs fall outside Section 215 of the Federal Power Act. Participants fund WREGIS through registration and transaction fees. "Backstop" funding is provided by the California Energy Commission (CEC) pursuant to a contract between the CEC and WECC.

Membership and Governance

WREGIS operates through the WREGIS Committee and its subcommittees (Policy, Change Control and Operations) and a Stakeholder Advisory Committee.

Non-Statutory Functional Scope

WREGIS consists of two parts: the information system software and the administrative operations housed at WECC. The WREGIS staff oversees the software contractor and performs all of the administrative tasks required to operate the program including; registering account holders and generation units, training WREGIS users and managing the budgeting, billing and financial reporting.

Planning Cycle

WREGIS operates on a fiscal year beginning October 1 of each year. WREGIS' budget is converted to a calendar year for the purposes of WECC's 2009 Business Plan and Budget.

2009 Primary Objectives

The goals for WREGIS for 2009 are to:

- Implement the WREGIS program as required by the contract between the CEC and WECC.
- Continue to register program participants, whether mandatory or voluntary.
- Work with other regional groups (Western Climate Initiative, Western Resource Advocates, etc.) as they focus on greenhouse gas or other relevant topics
- Keep abreast of possible opportunities to increase WREGIS' functionality.

Major 2009 Cost Impacts

Funding Requirements — Explanation of Increase (Decrease)

The significant budget increase from 2008 to 2009 reflects the need for refinements to the program as it transitions from its developmental stage and initial implementation. Although the program was originally budgeted for one staff member, the expansion of activities has required an increase to four positions, one of which was converted from temporary to full-time status in 2008.

The 2009 budget includes costs for teleconferencing, which will no longer be covered by the CEC. With the need to communicate with a large number of stakeholders, the WREGIS staff is exploring ways to reduce teleconferencing costs. The full budgeted amount may not be needed during 2009.

Staffing Needs

Hiring Plans

Four employees are sufficient to manage the current WREGIS program.

Shared Employees

Not applicable.

Contractors

WREGIS uses contractors to supply legal, website, accounting software and auditing assistance. The 2009 budget includes approximately \$100,000 for these services.

Summary of 2008 Projection and 2009 Budgeted Funding and Expenses

Funding and expenses in this section relate to the following activities, designed to meet the objectives as defined on page 8 of this business plan.

Funding Sources

- WREGIS Account Holders pay an initial registration fee and annual renewal fees. Amounts vary by size and category of the Account Holder.
- Volumetric-based fees are paid when RECs are traded, retired or transferred.
- The CEC funds WREGIS to the extent that other funding sources are insufficient. This support ends in 2011, by which time it is expected that WREGIS will be fully self-sufficient.

Personnel Expenses

Four FTEs are budgeted at a total cost — including salaries, benefits, and WECC Executive and Administrative support — of \$450,958.

Meeting Expenses

WREGIS has few “in person” meetings and conducts most of its meetings by teleconference. Currently, the CEC is using its WebEx account for teleconference meetings but it is anticipated that by 2009, the CEC will require WREGIS to bear this cost. The 2009 budget includes \$28,200 for meeting expenses. This is calculated to be the cost of the WebEx service at rates of use that are currently in effect. WREGIS operates through the WREGIS Committee and its subcommittees (Policy, Change Control and Operations) and a Stakeholder Advisory Committee. WREGIS staff is researching other options and service providers to identify possibilities for reducing the amount required for these meetings.

Operating Expenses

Due to the contract with the CEC, the WREGIS cost-tracking categories are different from the WECC categories. The 2009 budget includes \$139,318 for Professional Services, Computer Systems, Program Development, Office, and Errors and Omission and General Liability Insurance.

2008 Budget and Projection and 2009 Budget Comparisons

Table NS1: SOA – Non-Statutory

Statement of Activities					
NON-STATUTORY					
	2008 Budget	2008 Projection	2008 Projection Variance to 2008 Budget Over(Under)	2009 Budget	2009 Budget Variance to 2008 Projection Over(Under)
Funding					
ERO Funding	\$ -	\$ -	\$ -	\$ -	\$ -
Membership Dues/Non-Stat Assessments	480,710	480,710	-	798,197	317,487
Testing Fees	-	-	-	-	-
Services & Software	-	-	-	-	-
Workshops	-	-	-	-	-
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Funding	\$ 480,710	\$ 480,710	\$ -	\$ 798,197	\$ 317,487
Expenses					
Personnel Expenses					
Salaries	\$ 219,936	\$ 219,936	\$ -	\$ 281,076	\$ 61,140
Payroll Taxes	20,192	20,192	-	-	(20,192)
Benefits	129,318	129,318	-	169,882	40,564
Retirement Costs	-	-	-	-	-
Total Personnel Expenses	\$ 369,446	\$ 369,446	\$ -	\$ 450,958	\$ 81,512
Meeting Expenses					
Meetings	\$ 1,200	\$ 1,200	\$ -	\$ 1,200	\$ -
Travel	20,004	20,004	-	27,000	6,996
Conference Calls	-	-	-	-	-
Total Meeting Expenses	\$ 21,204	\$ 21,204	\$ -	\$ 28,200	\$ 6,996
Operating Expenses					
Consultants	\$ 39,864	\$ 39,864	\$ -	\$ 72,871	\$ 33,007
Contracts	-	-	-	106,850	106,850
Office Rent	-	-	-	-	-
Office Costs	17,956	17,956	-	16,200	(1,756)
Professional Services	29,764	29,764	-	95,914	66,150
Computer Purchase & Maintenance	2,476	2,476	-	27,204	24,728
Furniture & Equipment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Contingency	-	-	-	-	-
Total Operating Expenses	\$ 90,060	\$ 90,060	\$ -	\$ 319,039	\$ 228,979
Other Non-Operating Expenses					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 480,710	\$ 480,710	\$ -	\$ 798,197	\$ 317,487
Change in Assets	\$ -	\$ -	\$ -	\$ (0)	\$ (0)

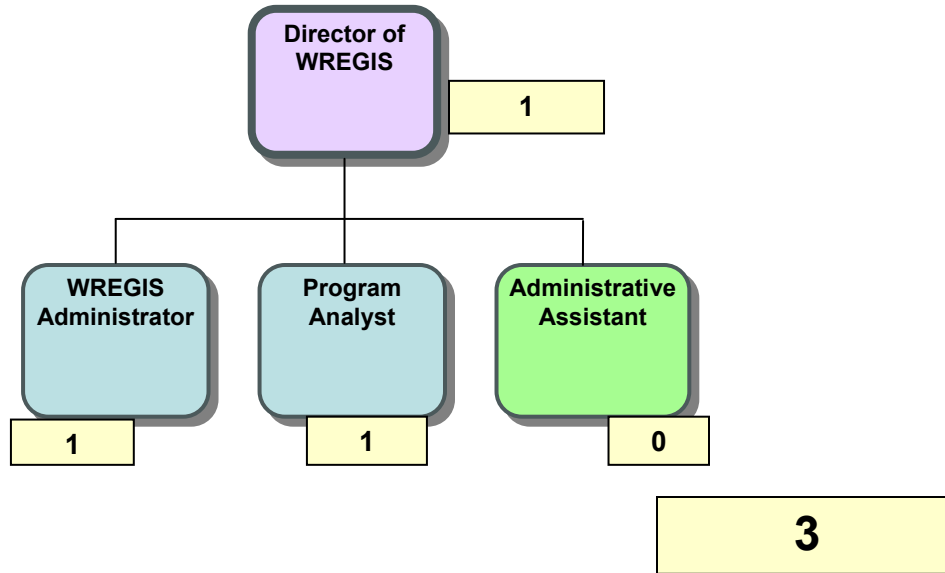
Personnel Analysis

Table NS2: Non-Statutory FTEs

Total FTE's by Program Area	Budget 2008	Projection 2008	Budget 2009	Change from Projection
Non-Statutory				
Operational Programs				
	0.0	0.0	0.0	0.0
				0.0
				0.0
				0.0
				0.0
				0.0
Total FTEs Operational Programs	0.0	0.0	0.0	0.0
Administrative Programs				
WREGIS	3.0	3.0	4.0	1.0
				0.0
				0.0
				0.0
				0.0
				0.0
Total FTEs Administrative Programs	3.0	3.0	4.0	1.0
Total FTEs	3.0	3.0	4.0	1.0

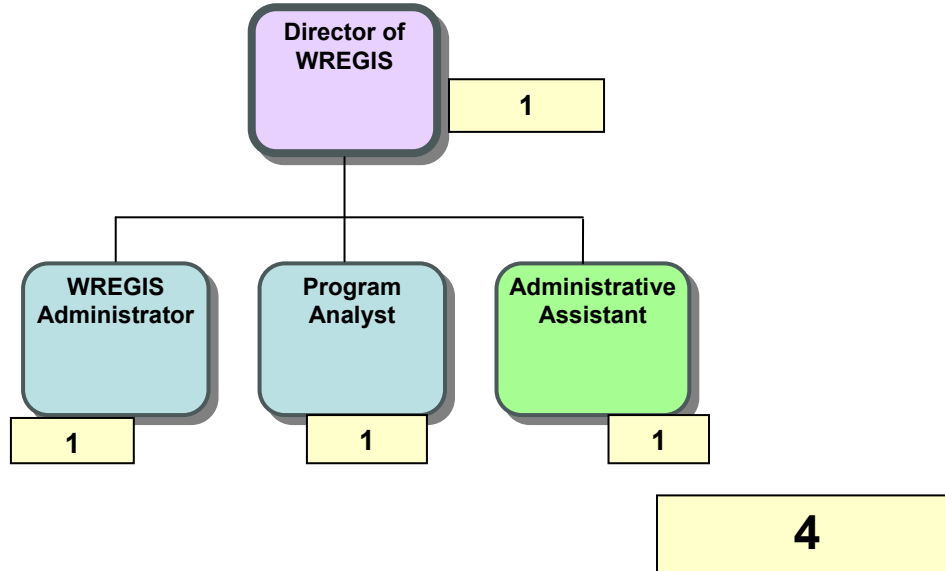
2008 WREGIS FTE Chart

2008 WREGIS FTE Chart (Non-Statutory)



2009 WREGIS FTE Chart

2009 WREGIS FTE Chart (Non-Statutory)



Reserve Analysis – 2008–2009

Table NS3: Reserve Analysis 2008-2009 (Non-Statutory)

Reserve Analysis 2008-2009	
Non-Statutory	
Beginning Working Capital Reserve (Deficit), December 31, 2007	5,043,445
Plus: 2008 ERO Funding (from LSEs or designees)	
Plus: 2008 Other funding sources (Cash basis)	480,710
Less: 2008 Projected expenses & capital expenditures (Cash basis)	(480,710)
Projected Working Capital Reserve (Deficit), December 31, 2008	<u>5,043,445</u>
 Desired Working Capital Reserve (Deficit), December 31, 2009	 5,043,445
Less: Projected Working Capital Reserve (Deficit), December 31, 2008	5,043,445
Increase(decrease) in assessments to achieve desired Working Capital Reserve	<u>0</u>
2009 Assessment for Expenses and Capital Expenditures, excluding Working Capital Reserve (Cash basis)	0
Less: Other funding sources (Cash basis)	0
Adjustment to achieve desired Working Capital Reserve	<u>0</u>
2009 Assessment and reserve adjustment	<u>0</u>

Western Electricity Coordinating Council Statement of Activities 2009 Budget				Statutory Total	Reliability Standards	Compliance & Organization Registration & Certification	Reliability Readiness Audit and Improvement	Reliability Assessment & Performance Analysis	Training & Education	Situational Awareness & Infrastructure Security	Committee & Member Forums	General & Admin	Legal and Regulatory	Information & Technology	Human Resources	Accounting & Finance
Total	Statutory Total	Non- Statutory Total		820	810	700	740	831	780	500	400	610	350	410	450	
Funding																
ERO Funding	37,088,502	37,088,502	-	37,088,502	511,694	6,165,303	216,400	2,656,981	0	14,143,679	2,615,670	8,501,713	852,208	1,005,207	264,600	155,047
Membership Dues	798,197	-	798,197	0	0	0	0	0	0	0	0	0	0	0	0	0
Testing Fees	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Services & Software	85,082	85,082	-	85,082	0	0	0	85,082	0	0	0	0	0	0	0	0
Workshops	863,290	863,290	-	863,290	0	0	0	0	863,290	0	0	0	0	0	0	0
Interest	645,593	645,593	-	645,593	0	0	0	0	0	0	0	645,593	0	0	0	0
Miscellaneous	9,300	9,300	-	9,300	0	0	0	0	0	0	0	9,300	0	0	0	0
Total Funding	39,489,964	38,691,767	798,197	38,691,767	511,694	6,165,303	216,400	2,742,063	863,290	14,143,679	2,615,670	9,156,606	852,208	1,005,207	264,600	155,047
Average Salary	110,455	111,603	70,269	111,603	98,336	108,908	81,000	78,165	90,974	118,351	110,381	145,316	145,800	69,489	88,200	77,524
FTE's	144	140	4	140.0	4.0	30.0	2.0	14.0	3.5	54.0	5.5	15.0	4.0	3.0	3.0	2.0
Expenses																
Personnel Expenses																
Salaries	15,905,454	15,624,378	281,076	15,624,378	393,342	3,267,237	162,000	1,094,310	318,409	6,390,937	607,094	2,179,735	583,200	208,467	264,600	155,047
Payroll Taxes	1,270,888	1,270,888	-	1,270,888	0	0	0	0	0	0	0	1,270,888	0	0	0	0
Benefits	3,355,584	3,185,702	169,882	3,185,702	0	75,004	0	81,045	163,981	327,671	19,400	2,518,602	0	0	0	0
Retirement Costs	1,146,404	1,146,404	-	1,146,404	0	0	0	0	0	0	0	1,146,404	0	0	0	0
Total Personnel Expenses	21,678,330	21,227,371	450,958	21,227,371	393,342	3,342,241	162,000	1,175,355	482,390	6,718,608	626,494	7,115,628	583,200	208,467	264,600	155,047
Meeting Expenses																
Meetings	1,188,850	1,187,650	1,200	1,187,650	22,200	380,000	0	135,450	236,000	0	406,000	5,000	3,000	0	0	0
Travel	1,553,096	1,526,096	27,000	1,526,096	11,520	689,090	29,400	119,330	45,900	96,000	241,756	293,100	0	0	0	0
Conference Calls	151,076	151,076	-	151,076	5,832	75,004	0	32,000	3,000	4,800	24,440	6,000	0	0	0	0
Total Meeting Expenses	2,893,022	2,864,822	28,200	2,864,822	39,552	1,144,094	29,400	286,780	284,900	100,800	672,196	304,100	3,000	0	0	0
Operating Expenses																
Consultants	2,139,171	2,066,300	72,871	2,066,300	28,800	1,129,500	25,000	683,000	51,000	42,000	60,000	22,000	0	25,000	0	0
Contracts	1,964,418	1,857,568	106,850	1,857,568	0	25,000	0	294,568	38,000	486,000	714,000	0	0	300,000	0	0
Office Rent	977,832	977,832	-	977,832	0	138,264	0	0	0	479,568	0	360,000	0	0	0	0
Office Costs	3,421,322	3,405,122	16,200	3,405,122	0	227,204	0	252,360	7,000	2,448,640	117,880	274,378	0	77,660	0	0
Professional Services	1,616,522	1,520,608	95,914	1,520,608	50,000	159,000	0	0	0	540,000	425,100	80,500	266,008	0	0	0
Computer Purchase & Maint.	543,284	516,080	27,204	516,080	0	0	0	50,000	0	72,000	0	0	0	394,080	0	0
Services	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Furniture & Equipment	-	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	10,662,549	10,343,510	319,039	10,343,510	78,800	1,678,968	25,000	1,279,928	96,000	4,068,208	1,316,980	736,878	266,008	796,740	-	-
Non-Operating Costs	4,256,063	4,256,063	-	4,256,063	0	0	0	0	0	3,256,063	0	1,000,000	0	0	0	0
Total Expenses	39,489,964	38,691,767	798,197	38,691,767	511,694	6,165,303	216,400	2,742,063	863,290	14,143,679	2,615,670	9,156,606	852,208	1,005,207	264,600	155,047
Change in Assets	-	0	(0)	0	(0)	-	-	0	0	-	-	(0)	0	-	-	-
Allocation of Overhead																
Direct Costs	25,440,626	24,642,428	798,197	24,642,428	511,694	6,165,303	216,400	2,742,063	863,290	14,143,679						
Indirect Cost allocation	14,049,338	14,049,338		14,049,338	522,766	3,920,746	261,383	1,829,681	457,420	7,057,342						
Total Costs	39,489,964	38,691,767	798,197	38,691,767	1,034,460	10,086,049	477,783	4,571,744	1,320,710	21,201,021						
FTE's	144.0	140.0	4.0	140.0	4.0	30.0	2.0	14.0	3.5	54.0	5.5	15.0	4.0	3.0	3.0	2.0

Western Electricity Coordinating Council Statement of Activities 2009 Budget				Non-Statutory Total	401	730	620	950	WREGIS
	Total	Statutory Total	Non-Statutory Total						
Funding									
ERO Funding	37,088,502	37,088,502	-	0	0	0	0	0	0
Membership Dues	798,197	-	798,197	798,197	0	0	0	0	798,197
Testing Fees	-	-	-	0	0	0	0	0	0
Services & Software	85,082	85,082	-	0	0	0	0	0	0
Workshops	863,290	863,290	-	0	0	0	0	0	0
Interest	645,593	645,593	-	0	0	0	0	0	0
Miscellaneous	9,300	9,300	-	0	0	0	0	0	0
Total Funding	39,489,964	38,691,767	798,197	798,197	0	0	0	0	798,197
Average Salary	110,455	111,603	70,269	70,269					70,269
FTE's	144	140	4	4.0	0.0	0.0	0.0	0.0	4.0
Expenses									
Personnel Expenses									
Salaries	15,905,454	15,624,378	281,076	281,076	0	0	0	0	281,076
Payroll Taxes	1,270,888	1,270,888	-	0	0	0	0	0	0
Benefits	3,355,584	3,185,702	169,882	169,882	0	0	0	0	169,882
Retirement Costs	1,146,404	1,146,404	-	0	0	0	0	0	0
Total Personnel Expenses	21,678,330	21,227,371	450,958	450,958	0	0	0	0	450,958
Meeting Expenses									
Meetings	1,188,850	1,187,650	1,200	1,200	0	0	0	0	1,200
Travel	1,553,096	1,526,096	27,000	27,000	0	0	0	0	27,000
Conference Calls	151,076	151,076	-	0	0	0	0	0	0
Total Meeting Expenses	2,893,022	2,864,822	28,200	28,200	0	0	0	0	28,200
Operating Expenses									
Consultants	2,139,171	2,066,300	72,871	72,871	0	0	0	0	72,871
Contracts	1,964,418	1,857,568	106,850	106,850	0	0	0	0	106,850
Office Rent	977,832	977,832	-	0	0	0	0	0	0
Office Costs	3,421,322	3,405,122	16,200	16,200	0	0	0	0	16,200
Professional Services	1,616,522	1,520,608	95,914	95,914	0	0	0	0	95,914
Computer Purchase & Maint.	543,284	516,080	27,204	27,204	0	0	0	0	27,204
Services	-	-	-	0	0	0	0	0	0
Furniture & Equipment	-	-	-	0	0	0	0	0	0
Total Operating Expenses	10,662,549	10,343,510	319,039	319,039	-	-	-	-	319,039
Non-Operating Costs	4,256,063	4,256,063	-	0	0	0	0	0	0
Total Expenses	39,489,964	38,691,767	798,197	798,197	-	-	-	-	798,197
Change in Assets	-	0	(0)	(0)	-	-	-	-	(0)
Allocation of Overhead									
Direct Costs	25,440,626	24,642,428	798,197	798,197					798,197
Indirect Cost allocation	14,049,338	14,049,338							
Total Costs	39,489,964	38,691,767	798,197	0					0
FTE's	144.0	140.0	4.0	4.0	0.0	0.0	0.0	0.0	4.0