

NERC, Regional Entities' and WIRAB 2017 Business Plans and Budgets

Action

Review and recommend approval of NERC, the Regional Entities' and WIRAB's 2017 Business Plans and Budgets and associated assessment schedules to the Board of Trustees.

Final Draft of NERC's 2017 Business Plan and Budget

There were no material changes to the 2017 business plan and budget since Draft 2 (posted on July 15). The executive summary of the company's business plan and budget, and the accompanying presentation materials, provide an overview of NERC's major activities and resource requirements during 2017. NERC's final draft budget for 2017 represents a total cost increase of 3.6% over the 2016 approved budget (including the E-ISAC portal project). NERC's assessments included in the final draft for 2017 are 4.9% higher than the total assessments in the 2016 approved budget.

Various comments were received after the first draft was posted. Those comments, along with NERC's response, are posted on NERC's website. Additionally, those comments and responses were discussed at the July 21 FAC meeting and webinar. No additional comments were received after the second draft was posted.

Final and Approved 2017 Business Plans and Budgets – Regional Entities and WIRAB

All Regional Entity and WIRAB budgets have been posted for public input and approved by each Board. NERC and Regional Entity management worked collaboratively in the development of each business plan and budget, including the development of a common strategic plan and budget assumptions. NERC management reviewed each of these budgets and focused on the following areas:

- Adequacy of resources and activities to perform delegated functions
- Alignment of goals, objectives and major activities to the ERO Strategic Plan
- Description of efforts to improve efficiency and control costs
- Quality and completeness of the financial information presented, including:
 - Conformance with FERC budget reporting requirements
 - Separation of statutory and non-statutory activities
 - Supporting detail for projections
 - Working capital and operating reserve budgets, projections, policies and controls

The review process yielded various opportunities for NERC and Regional Entities to work collaboratively on certain areas and ensure continued alignment of activities and resources. But no issues were noted that would prohibit NERC management from recommending the approval of each entity's budget.

2017 Assessment Schedule

The assessment schedule for all entities, including both NERC and RE assessments, is included with this FAC package and will be posted on NERC's website with the other documents related to the final business plan and budget.