

was posted on NERC's website on May 6, 2021 and was reviewed at the May 12, 2021 open meeting of the NERC Finance and Audit Committee.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:

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III. DISCUSSION OF SIGNIFICANT VARIANCES BETWEEN 2021 BUDGET AND PROJECTED YEAR-END 2021 RESULTS

The attached variance report compares actual (unaudited) financial results for the first quarter of 2021 as of March 31, 2021 to NERC's budgeted expenditures for the first quarter of 2021. NERC is also providing additional discussion of significant variances between the actual 2021 (unaudited) first quarter results and NERC's 2021 budgeted expenditures by NERC department or program area and by major activity within departments and program areas. This discussion focuses on variances of \$500,000 or more because this threshold is used in Section 7(b)(ii) of the Settlement Agreement. In Section 7(b)(ii) of the Settlement Agreement, the Commission specifies that the threshold for its review and approval is where any amount allocated from the unforeseen contingencies account of Operating Reserves plus any amount redirected from previously budgeted funds is, in the aggregate, \$500,000 or more for any one specific project or major activity in a program area.

**A. 2021 First Quarter Actual Results and Projected Year End Results with Budget
Variances of \$500,000 or More by Revenue and Expense Category**

One revenue and expense category had a budget variance of more than \$500,000 as of March 31, 2021:

- “Consultants and Contracts” expenses were \$1,038,023 (32.7%) under budget for this first quarter due to timing of costs versus the budget. These expenses are expected to be \$1,292,477 (10.2%) over budget at year-end primarily due to (1) the CRISP operational technology pilot program costs, budgeted for in 2020, that will be spent in 2021 (and funded with CRISP reserves), (2) costs for workforce development, and (3) internal audit co-sourcing support.

Additionally, four other revenue and expense categories are projected to have a budget variance of more than \$500,000 at year-end:

- “Meetings and Travel” are projected to be \$1,176,235 (53.4%) under budget at year-end due to reduced in-person meetings and travel during the pandemic.
- “Office Costs, Professional, and Misc.” are projected to be \$526,035 (4.2%) over budget due to higher than budgeted software costs (a portion of which is being funded with the CRISP reserves). “Professional Services” expenses are expected to be over budget due to fees for an additional NERC trustee and increased costs for liability insurance.
- “Fixed Asset Additions” are projected to be \$624,750 (22.7%) over budget due to the timing of approximately \$700,000 in expenditures for the ERO Secure Evidence Locker (“ERO SEL”) project that were approved to be spent and financed in 2020, but will be incurred and financed in 2021.

- “Net Financing Activity” is projected to be \$700,000 (82.9%) under budget at year-end. The “Net Financing Activity” budget did not contemplate loan proceeds at the time the budget was prepared. Due to the timing of expenditures on the ERO SEL capital investment, NERC is projected to borrow approximately \$700,000 in 2021 to fund the carryover costs. The total borrowing for the ERO SEL project in 2020 and 2021 will be at or below the total amount of \$2.0 million approved by the NERC Board of Trustees and the Commission for the project initial investment.

B. 2021 First Quarter Actual Results and Projected Year End Results with Budget Variances of \$500,000 or More by Department or Program Area

As of March 31, 2021, there are no departments with actual or projected year-end variances greater than \$500,000, except for CRISP. CRISP was \$706,235 (37.5%) under budget at the end of the first quarter and is projected to be \$996,093 (13.3%) over budget at year-end. CRISP is under budget year-to-date mainly due to the timing of costs versus the budget for contractor costs. CRISP is expected to be over budget at year-end because of the operational technology pilot program costs that were budgeted for in 2020, but will be spent in 2021 (and funded with CRISP reserves).

IV. CONCLUSION

NERC respectfully requests that the Commission accept this filing as compliant with Section II.7(b)(i) of the Settlement Agreement and the Commission's January 16 Order in Docket No. FA11-21-000.

Respectfully submitted,

/s/ Nina Jenkins-Johnston

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Dated: May 17, 2021

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 17th day of May, 2021.

/s/ Nina Jenkins-Johnston

Nina Jenkins-Johnston
*Counsel for North American Electric
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ATTACHMENT

Summary of Unaudited Results For the Period Ending March 31, 2021

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Executive Summary

Projected Year-End Results (\$ millions)

<u>FUNDING</u>	<u>Projected</u>	<u>Budget</u>	<u>Over (Under)</u>
Revenues	\$ 80.8	\$ 81.2	\$ (0.4)
Funding from Reserves			
Assessment Stabilization Reserve	-	-	-
TOTAL FUNDING	\$ 80.8	\$ 81.2	\$ (0.4)
<u>EXPENDITURES</u>			
Expenses (excluding Depreciation)	\$ 80.2	\$ 79.3	\$ 0.9
Fixed Asset Additions	3.4	2.8	0.6
Net Financing Activity	0.1	0.8	(0.7)
TOTAL EXPENDITURES	\$ 83.7	\$ 82.9	\$ 0.8
RESERVE INCREASE (DECREASE)	\$ (2.9)	\$ (1.7)	\$ (1.2)

Funding

- Revenues
 - Expected to be under budget at year-end due to lower investment income (from lower interest rates) and System Operator Certification testing and certificate renewal fees.

Expenditures

- Expenses (excluding depreciation)
 - Meeting and Travel expenses are projected to be under budget because of reduced in-person meetings and lower employee travel due to the pandemic.
 - Contracts and Consultants expenses are expected to be over budget primarily due to the CRISP operational technology pilot program costs that were budgeted for in 2020 but for which the costs will be incurred in 2021 (and funded with money collected from and reserved by the CRISP participants in 2020), and costs for workforce development and internal audit support.
 - Office Costs expenses are projected to be over budget mainly because of higher than budgeted software costs for the CRISP program (a portion of which will be funded with the aforementioned CRISP reserve).

- Professional Services expenses are expected to be over budget mostly due to fees for an additional NERC trustee and increased costs for liability insurance.
- Fixed Asset Additions
 - Projected to be over budget due to the timing of approximately \$700k in expenditures for the ERO Secure Evidence Locker (ERO SEL) project that were approved to be spent and financed in 2020, but will be incurred and financed in 2021.
- Net Financing Activity
 - The 2021 budget did not contemplate loan proceeds, but due to the timing of expenditures on the ERO SEL capital investment, NERC is projected to borrow approximately \$700k in 2021 to fund the carryover costs. The total borrowing for the ERO SEL project in 2020 and 2021 will be at or below the total amount of \$2.0 million approved by the NERC Board of Trustees for the project initial investment.

Reserve Increase (Decrease)

- Total projected reserve decrease is \$2.9M versus a budgeted decrease of \$1.7M, for a difference of \$1.2M, which is primarily comprised of the \$1.0M unbudgeted use of CRISP reserves for operational technology pilot project costs and the unbudgeted use of \$200k of System Operator reserves. The remaining \$1.7M decrease of Operating Contingency Reserves is on budget.

Year-to-Date Actual Results
(\$ millions)

				Over
<u>FUNDING</u>	<u>Actual</u>	<u>Budget</u>		<u>(Under)</u>
Revenues	\$ 20.2	\$ 20.3	\$	(0.1)
Funding from Reserves				
Assessment Stabilization Reserve	-	-	-	-
TOTAL FUNDING	\$ 20.2	\$ 20.3	\$	(0.1)
<u>EXPENDITURES</u>				
Expenses (excluding Depreciation)	\$ 18.5	\$ 20.4	\$	(1.9)
Fixed Asset Additions	0.5	0.7		(0.2)
Net Financing Activity	0.2	0.2		-
TOTAL EXPENDITURES	\$ 19.2	\$ 21.3	\$	(2.1)
RESERVE INCREASE (DECREASE)	\$ 1.0	\$ (1.0)	\$	2.0

Funding

- Revenues
 - Close to budget year-to-date.

Expenditures

- Expenses (excluding depreciation)
 - Meeting and Travel expenses are under budget because of reduced in-person meetings and lower employee travel due to the pandemic.
 - Contracts and Consultants expenses are lower than budget mainly attributable to timing of costs versus the budget.
- Fixed Asset Additions
 - Under budget mainly due to the timing of costs versus the budget.

Reserve Increase (Decrease)

- Actual reserve increase is higher than budget by \$2.0 million, primarily due to the timing of expenditures and reduced in-person meeting and travel costs due to the pandemic.

Detailed Operating Results

Variances by Revenue and Expense Category

Total NERC (including CRISP)

	YTD Actual	YTD Budget	YTD Over (Under)	% Over (Under)	Annual Projection	Annual Budget	Annual Over (Under)	% Over (Under)
TOTAL FUNDING	\$ 20,215,424	\$ 20,293,576	\$ (78,153)	(0.4%)	\$ 80,773,449	\$ 81,155,550	\$ (382,101)	(0.5%)
EXPENDITURES								
Personnel	\$ 12,416,629	\$ 12,570,161	\$ (153,532)	(1.2%)	\$ 48,466,045	\$ 48,189,435	\$ 276,610	0.6%
Meetings and Travel	50,534	550,437	(499,903)	(90.8%)	1,025,513	2,201,748	(1,176,235)	(53.4%)
Consultants and Contracts	2,134,931	3,172,953	(1,038,023)	(32.7%)	13,984,290	12,691,813	1,292,477	10.2%
Office Rent	891,514	900,861	(9,347)	(1.0%)	3,603,442	3,603,442	-	0.0%
Office Costs, Professional, and Misc.*	2,964,044	3,117,760	(153,716)	(4.9%)	12,997,074	12,471,039	526,035	4.2%
Other Non-Operating	16,731	32,415	(15,684)	(48.4%)	129,661	129,661	-	0.0%
Fixed Asset Additions*	478,180	687,875	(209,695)	(30.5%)	3,376,250	2,751,500	624,750	22.7%
Net Financing Activity**	185,549	211,150	(25,601)	(12.1%)	144,601	844,601	(700,000)	(82.9%)
TOTAL EXPENDITURES	\$ 19,138,112	\$ 21,243,612	\$ (2,105,500)	(9.9%)	\$ 83,726,876	\$ 82,883,240	\$ 843,636	1.0%
RESERVE INCREASE (DECREASE)	\$ 1,077,311	\$ (950,036)	\$ 2,027,347	(213.4%)	\$ (2,953,427)	\$ (1,727,689)	\$ (1,225,738)	70.9%
FTEs	207.0	213.4	(6.3)	(3.0%)	210.4	213.4	(3.0)	(1.4%)

* Excludes depreciation expense

** A positive amount indicates that NERC is paying off more principal than it is receiving in proceeds. A negative amount indicates that NERC is receiving more in proceeds than it is paying off principal.

Following is a brief summary of variances by category:

- Meetings and Travel expenses are under budget and expected to be under budget at year-end from reduced in-person meetings and travel due to the pandemic.
- Contracts and Consultants expenses are under budget mainly attributable to timing of costs versus the budget and are expected to be over budget at year-end primarily due to the CRISP operational technology pilot program costs that were budgeted for in 2020 but will be spent in 2021 (and funded with CRISP reserves), as well as costs for workforce development and internal audit support.

CONTRACTS and CONSULTANTS	YTD	YTD	YTD	%	Annual	Annual	Annual	%
	Actual	Budget	Over (Under)	Over (Under)	Projection	Budget	Over (Under)	Over (Under)
Reliability Standards and Risk Issue Management	\$ 45,919	\$ 28,638	\$ 17,281	60.3%	\$ 258,146	\$ 114,552	\$ 143,594	125.4%
Compliance Assurance	-	12,500	(12,500)	(100.0%)	50,000	50,000	-	0.0%
Registration and Certification	10,440	9,888	552	5.6%	39,743	39,552	191	0.5%
Compliance Enforcement	-	17,250	(17,250)	(100.0%)	50,000	69,000	(19,000)	(27.5%)
BPS Security and Grid Transformation	-	-	-	0.0%	-	-	-	0.0%
Reliability Assessment and Technical Committees	10,440	14,888	(4,448)	(29.9%)	59,743	59,552	191	0.3%
Advanced System Analytics and Modeling & Power System Analysis	25,000	41,250	(16,250)	(39.4%)	165,000	165,000	-	0.0%
Performance Analysis	25,740	44,663	(18,923)	(42.4%)	180,696	178,651	2,045	1.1%
Situation Awareness	-	3,750	(3,750)	(100.0%)	15,000	15,000	-	0.0%
Event Analysis	19,260	28,898	(9,638)	(33.4%)	115,590	115,590	-	0.0%
E-ISAC	532,909	599,980	(67,071)	(11.2%)	2,558,901	2,399,918	158,983	6.6%
Training, Education and Personnel Certification	55,407	139,663	(84,256)	(60.3%)	494,650	558,650	(64,000)	(11.5%)
General and Administrative and Executive	-	-	-	0.0%	-	-	-	0.0%
Legal and Regulatory	-	52,500	(52,500)	(100.0%)	445,000	210,000	235,000	111.9%
External Affairs	25,260	5,000	20,260	405.2%	69,480	20,000	49,480	247.4%
Information Technology	356,303	408,906	(52,604)	(12.9%)	1,477,815	1,635,625	(157,810)	(9.6%)
Human Resources and Administration	94,413	152,500	(58,087)	(38.1%)	905,000	610,000	295,000	48.4%
Finance and Accounting	7,772	31,250	(23,478)	(75.1%)	125,000	125,000	-	0.0%
TOTAL (excluding CRISP)	\$ 1,208,862	\$ 1,591,523	\$ (382,661)	(24.0%)	\$ 7,009,765	\$ 6,366,090	\$ 643,675	10.1%
CRISP	926,069	1,581,431	(655,362)	(41.4%)	6,974,525	6,325,723	648,802	10.3%
TOTAL (including CRISP)	\$ 2,134,931	\$ 3,172,953	\$ (1,038,023)	(32.7%)	\$ 13,984,290	\$ 12,691,813	\$ 1,292,477	10.2%

- Office Costs expenses are projected to be over budget mainly because of higher than budgeted software costs (a portion of which is being funded with the CRISP reserves).
- Professional Services expenses are expected to be over budget mostly due to fees for an additional NERC trustee and increased costs for liability insurance.
- Fixed Asset Additions are projected to be over budget due to the timing of approximately \$700k in expenditures for the ERO Secure Evidence Locker (ERO SEL) project that were approved to be spent and financed in 2020, but will be incurred and financed in 2021.
- Net Financing Activity budget did not contemplate loan proceeds, but due to the timing of expenditures on the ERO SEL capital investment, NERC is projected to borrow approximately \$700k in 2021 to fund the carryover costs. The total borrowing for the ERO SEL project in 2020 and 2021 will be at or below the total amount of \$2.0 million approved by the NERC Board of Trustees for the project initial investment.

Variations by Department

DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	YTD	YTD	YTD	%	Annual	Annual	Annual	%
	Actual	Budget	Over (Under)	Over (Under)	Projection	Budget	Over (Under)	Over (Under)
Reliability Standards and Risk Issue Management	\$ 942,143	\$ 936,148	\$ 5,995	0.6%	\$ 3,976,716	\$ 3,627,620	\$ 349,096	9.6%
Compliance Assurance	1,515,519	1,689,641	(174,122)	(10.3%)	6,049,647	6,508,460	(458,813)	(7.0%)
Registration and Certification	311,115	328,501	(17,386)	(5.3%)	1,166,936	1,248,210	(81,274)	(6.5%)
Compliance Enforcement	950,062	1,082,266	(132,204)	(12.2%)	4,282,167	4,244,467	37,700	0.9%
Power System Analysis	81,813	72,124	9,690	13.4%	481,383	428,239	53,144	12.4%
Reliability Assessment and Technical Committees	457,524	514,000	(56,476)	(11.0%)	1,874,838	1,957,274	(82,436)	(4.2%)
Advanced System Analytics and Modeling & Power System Analysis	527,534	650,443	(122,909)	(18.9%)	2,177,236	2,503,640	(326,404)	(13.0%)
Performance Analysis	376,831	401,197	(24,366)	(6.1%)	1,662,800	1,665,414	(2,614)	(0.2%)
Situation Awareness	620,157	715,721	(95,565)	(13.4%)	3,006,133	2,790,692	215,441	7.7%
Event Analysis	523,074	633,923	(110,849)	(17.5%)	1,964,640	2,389,731	(425,090)	(17.8%)
E-ISAC	3,096,021	3,245,547	(149,527)	(4.6%)	12,512,884	12,698,677	(185,793)	(1.5%)
Training, Education and Personnel Certification	305,284	415,884	(110,600)	(26.6%)	1,565,235	1,635,119	(69,884)	(4.3%)
General and Administrative and Executive	2,091,021	2,148,817	(57,796)	(2.7%)	8,700,933	8,445,444	255,489	3.0%
Legal and Regulatory	1,084,906	1,220,429	(135,524)	(11.1%)	4,815,146	4,631,911	183,235	4.0%
External Affairs	763,149	755,029	8,120	1.1%	2,945,036	2,859,325	85,711	3.0%
Information Technology	3,202,188	3,312,711	(110,523)	(3.3%)	12,935,806	12,936,602	(796)	(0.0%)
Human Resources and Administration	627,524	709,868	(82,344)	(11.6%)	3,054,803	2,775,720	279,082	10.1%
Finance and Accounting	487,693	530,574	(42,881)	(8.1%)	2,073,793	2,052,043	21,750	1.1%
TOTAL (excluding CRISP)	\$ 17,963,559	\$ 19,362,824	\$ (1,399,265)	(7.2%)	\$ 75,246,132	\$ 75,398,589	\$ (152,457)	(0.2%)
CRISP	1,174,553	1,880,788	(706,235)	(37.5%)	8,480,744	7,484,651	996,093	13.3%
TOTAL DIRECT EXPENSES, FIXED ASSETS, AND FINANCING ACTIVITY	\$ 19,138,112	\$ 21,243,612	\$ (2,105,500)	(9.9%)	\$ 83,726,876	\$ 82,883,240	\$ 843,636	1.0%

Following is a brief summary of significant variances by department:

- Reliability Standards and Risk Issue Management – Expected to be over budget in personnel costs related to the repurposing of one FTE from the Advanced System Analytics and Modeling & Power System Analysis department and higher than budgeted contractor costs.
- Advanced System Analytics and Modeling & Power System Analysis – Projected to be under budget primarily due to the repurposing of one FTE to the Reliability Standards and Risk Issue Management department.
- Compliance Assurance – Projected to be under budget mainly because of lower personnel costs due to the repurposing of one position, as well as lower meeting and travel expenses.
- Event Analysis – Expected to be under budget primarily due to lower personnel expenses because of the transfer of an open FTE position to Situation Awareness.
- CRISP – Under budget year-to-date mainly due to the timing of costs versus the budget for contractor costs and is expected to be over budget because of the operational technology pilot program costs that were budgeted for in 2020 but will be spent in 2021 (and funded with CRISP reserves).

Supplemental Schedules

Schedule 1 – Year-End Projected Reserves

Reserve Account	1/1/2021		Unbudgeted Funding/(Use)	Operating and Financing Activity Versus Budget ⁽³⁾	12/31/2021 Ending Balance
	Beginning Balance ⁽¹⁾	Budgeted Funding/(Use) ⁽²⁾			
Operating Contingency	\$ 7,982,913	\$ (1,800,000)	\$ -	\$ 112,193	\$ 6,295,106
Future Obligations	1,657,901	(551,600)	-	-	1,106,301
Assessment Stabilization	2,521,000	-	-	-	2,521,000
System Operator	996,220	-	-	(216,071)	780,150
CRISP (Defense Fund)	500,000	-	-	-	500,000
CRISP (Special Projects)	1,049,549	-	-	(1,049,549)	-
Total Reserves	\$ 14,707,584	\$ (2,351,600)	\$ -	\$ (1,153,427)	\$ 11,202,557

NOTES:

(1) 2021 beginning balances have been adjusted from the 12/31/2020 variance report balances as the result of a reconciliation to the final audited balance sheet.

(2) The 2021 Business Plan & Budget contained a budgeted use of Operating Contingency Reserves totaling \$1,800,000 to lower assessments for costs associated with the Compliance Monitoring and Enforcement Program Align project. The Future Obligations Reserve decrease of \$551,600 is a budgeted use of deferred rent reserves to fund a portion of office lease costs.

(3) This column primarily reflects the net impact of normal operations. For example, under normal circumstances, if NERC was tracking well under budget in actual expenditures, this would reflect additional funds into the reserve account. It also reflects the increase or decrease in working capital during the period.

Schedule 2 – IT Projects

Projects in Progress	Project Budget ⁽¹⁾	Actual Spend to Date	Expected Spend	Expected Over (Under) Budget
Align (2017-2021)	\$ 7,203,000	\$ 5,441,468	\$ 7,203,000	\$ -
E-ISAC Portal Replacement	259,680	259,680	259,680	-
Mobile Device Management/Laptop Build	36,000	35,738	35,738	(262)
SAFNR Disaster Recovery	78,516	67,372	78,516	-
CRISP Dragos Operational Technology Pilot	426,000	-	426,000	-

Projects Completed in 2021	Project Budget ⁽¹⁾	Actual Spend ⁽²⁾
Secure Evidence Locker	\$ 2,265,000	\$ 1,732,442

NOTES:

(1) The Project Budget noted above usually corresponds to the approved business case for each project and funds for each project are drawn from the available budget. In some projects, business cases may not be prepared, particularly when a project is smaller and/or may be in response to a FERC order.

(2) Still awaiting the final invoices for this project.

* Some of these projects span multiple years, so the amounts above do not represent a single budget year expenditure.

* The amounts noted above do not include internal labor or license/maintenance/support costs and reflect only external (consultant) costs of the projects.

Schedule 2 (continued) – IT Projects

Align

(Started Q2 2017 / Planned Completion Q4 2021)

This project will provide registered entities, Regional Entities, and NERC the ability manage the compliance and enforcement processes and data in a single ERO Enterprise system. Today, those processes and related data are managed across three separate systems that have to be synchronized (webCDMS, CITS, and CRATS).

E-ISAC Portal Replacement

(Started Q3 2020 / Planned Completion Q2 2021)

This project will re-platform the current portal and ticket/case system, which will combine the functions and services into a single E-ISAC Sharing Platform (ESP) solution, allowing members, partners, and the E-ISAC staff to interact more effectively and efficiently.

Mobile Device Management/Laptop Build

(Started Q1 2021 / Planned Completion Q2 2021)

This project will provide NERC with the capability to secure mobile devices and also to send laptops to remote employees and have most of the build completed remotely thereby reducing the time required to build the laptop in the office and then ship to employees.

SAFNR Disaster Recovery

(Started Q3 2020 / Planned Completion Q2 2021)

Project objective is to install a redundant instance of the SAFNR application in NERC's data warehouse to be activated in a disaster recovery situation should the primary site become physically unavailable.

CRISP Dragos Operational Technology Pilot

(Started Q4 2020 / Planned Completion Q2 2021)

The objective of this project is to measure the capabilities of the Dragos Platform to evaluate cyber security risks based upon data made available through CRISP. Additionally, the pilot will promote E-ISAC analyst training and capabilities through guided-hunt participation and development of other cyber security threat intelligence best practices (such as generation of analytics and playbooks). The one-year pilot will be funded through CRISP and benefit its participants, but will enrich the overall threat intelligence capabilities of the E-ISAC.

Secure Evidence Locker

(Started Q2 2020 / Completed Q1 2021)

This is a key component of the NERC's reimagined suite of Compliance Monitoring and Enforcement Program (CMEP) work and data management tools and is being implemented in conjunction with Align. It will be used for the collection and analysis of evidence provided by registered entities in connection with CMEP activities.

Schedule 3 – E-ISAC and CRISP Summary of Activity

TOTAL E-ISAC (including CRISP)

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 5,668,259	\$ 22,673,035	\$ 22,673,035	\$ -
Other Funding	1,781,356	7,132,068	7,148,703	(16,635)
TOTAL FUNDING	\$ 7,449,615	\$ 29,805,103	\$ 29,821,738	\$ (16,635)
EXPENDITURES				
Personnel Expense	\$ 2,362,660	\$ 9,291,909	\$ 9,463,819	\$ (171,911)
Meetings and Travel Expense	8,171	168,524	297,080	(128,556)
Operating Expenses (excluding Depreciation)	1,899,742	11,441,946	10,339,429	1,102,517
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	91,250	83,000	8,250
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 4,270,573	\$ 20,993,629	\$ 20,183,328	\$ 810,301
Indirect Expense Allocation	2,268,349	9,691,340	9,315,576	375,764
Fixed Asset Allocation	14,233	162,024	188,624	(26,600)
Net Financing Activity Allocation	52,476	135,869	134,209	1,660
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 6,605,631	\$ 30,982,862	\$ 29,821,738	\$ 1,161,125
RESERVE INCREASE (DECREASE)	\$ 843,984	\$ (1,177,759)	\$ 0	\$ (1,177,760)

Schedule 3 (continued) – E-ISAC and CRISP Summary of Activity

CRISP

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 273,966	\$ 1,095,863	\$ 1,095,863	\$ -
Other Funding	1,766,306	7,067,839	7,100,343	(32,505)
TOTAL FUNDING	\$ 2,040,271	\$ 8,163,702	\$ 8,196,207	\$ (32,505)
EXPENDITURES				
Personnel Expense	\$ 138,042	\$ 857,613	\$ 833,011	\$ 24,602
Meetings and Travel Expense	178	9,631	28,939	(19,308)
Operating Expenses (excluding Depreciation)	1,036,332	7,563,500	6,572,701	990,799
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	50,000	50,000	(0)
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 1,174,553	\$ 8,480,744	\$ 7,484,651	\$ 996,093
Indirect Expense Allocation	134,516	630,618	687,687	(57,069)
Fixed Asset Allocation	844	10,543	13,946	(3,403)
Net Financing Activity Allocation	3,112	8,841	9,923	(1,082)
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 1,313,025	\$ 9,130,746	\$ 8,196,207	\$ 934,540
RESERVE INCREASE (DECREASE)	\$ 727,246	\$ (967,044)	\$ (0)	\$ (967,044)

E-ISAC (excluding CRISP)

FUNDING	YTD Actual	Annual Projection	Annual Budget	Projected Over (Under)
Assessments	\$ 5,394,293	\$ 21,577,172	\$ 21,577,172	\$ -
Other Funding	15,051	64,230	48,360	15,870
TOTAL FUNDING	\$ 5,409,344	\$ 21,641,401	\$ 21,625,531	\$ 15,870
EXPENDITURES				
Personnel Expense	\$ 2,224,618	\$ 8,434,296	\$ 8,630,809	\$ (196,513)
Meetings and Travel Expense	7,992	158,893	268,141	(109,248)
Operating Expenses (excluding Depreciation)	863,410	3,878,445	3,766,728	111,718
Other Non-Operating Expenses	-	-	-	-
Fixed Asset Purchases (excluding Fixed Asset Allocation)	-	41,250	33,000	8,250
Net Financing Activity (excluding Net Financing Activity Allocation)	-	-	-	-
Total Direct Costs (excluding Depreciation and Allocations)	\$ 3,096,021	\$ 12,512,884	\$ 12,698,677	\$ (185,793)
Indirect Expense Allocation	2,133,833	9,060,722	8,627,890	432,833
Fixed Asset Allocation	13,389	151,481	174,678	(23,197)
Net Financing Activity Allocation	49,364	127,028	124,286	2,742
TOTAL EXPENDITURES (excluding Depreciation, including Allocations)	\$ 5,292,606	\$ 21,852,116	\$ 21,625,531	\$ 226,585
RESERVE INCREASE (DECREASE)	\$ 116,737	\$ (210,715)	\$ 0	\$ (210,715)

Schedule 4 – Summary of Investments

	Quarter-End Balance	Ticker Symbol	Fund Name	S&P Credit Rating	Average Annualized Yield
<u>Cash Sweep Accounts</u>					
Operating Account Sweep	\$ 18,395,184	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.04%
SOCCEd Account Sweep	1,739,296	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.04%
CRISP Account Sweep	7,322,592	TDDXX	BlackRock Liquidity Fund FedFund Dollar	AAAm	0.04%
<u>Total Cash Sweep Accounts</u>	<u>\$ 27,457,072</u>				
<u>Investment Account</u>					
Reserve Funds	\$ 8,471,567	GRTXX	Federated Hermes Government Obligations Fund	AAAm	0.02%
<u>Total Investments</u>	<u>\$ 8,471,567</u>				