



# 2020 Business Plan and Budget Review

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Presentation to NERC  
Finance and Audit Committee  
July 18, 2019



# 2020 Budget Overview

- **Total 2020 budget:** \$1,255,200
  - Total 2020 budget change: \$92,500 (8.0%) increase
- **Total 2020 assessment** – \$986,300
  - Total 2020 assessment change: \$236,300 (31.5%) increase
    - Spending down of surplus capital reserves and WIRAB's assessment stabilization plan result in a \$268,300 reduction in WIRAB's 2020 funding requirement.
- **Total 2020 FTEs:** 5.0 (no change)
- **Primary drivers behind budget increase:** office expenses, personnel changes.
- **Changes since last presentation:** none
- **Projected budget increases**
  - 2021: 3.6%
  - 2022: 3.6%
- **Projected assessment increases**
  - 2021: 30.0%
  - 2022: 5.7%
- **Approved by WIRAB:** June 28, 2019



# WIRAB - Regional Advisory Body

- Section 215(j) of the FPA authorizes WIRAB to advise FERC, NERC, WECC on the following:
  - Governance of an existing or proposed Regional Entity within the region;
  - Whether reliability standards proposed to apply within the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest;
  - Whether fees proposed to be assessed in the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest; and
  - Any other responsibilities requested by the Commission.



## WIRAB 2020 Initiatives

- Initiative 1: Encourage WECC to improve its assessment of long-term resource adequacy to ensure that state and provincial regulators, FERC, and NERC have access to accurate, consistent, and timely information to inform capacity expansion decisions in the West.
- Initiative 2: Encourage WECC to study and publish findings on the interrelationship between distributed energy resources and the reliability of the Bulk-Power System in the West.



## 2020 Initiatives cont.

- Initiative 3: Encourage western Reliability Coordinators to adopt a set of consistent metrics to measure RC performance, to identify best practices, and to strive for exceptional reliability in the West.
- Initiative 4: Assist WECC in assessing the reliability benefits and risks associated with wholesale electricity market expansion in the West.



## Budget and Assessment

- WIRAB's proposed 2020 Budget is \$1,255,200; a \$92,500 (8.0%) increase from WIRAB's 2019 budget.
- WIRAB's proposed 2020 Assessment is \$986,300; a \$236,300 (31.5%) increase from WIRAB's 2019 funding assessment.
- WIRAB's proposed FTEs for 2020 is 5.00.



# WIRAB Draft 2020 vs. 2019 Budget

Expense Category	2019 Budget	Draft 2020 Budget	Change
Salaries	\$ 436,500	\$ 478,300	\$ 41,800
Indirect	\$ 442,200	\$ 534,100	\$ 91,900
Consultants	\$ 100,000	\$ 100,000	\$ -
Meetings/Teleconferences	\$ 84,000	\$ 56,100	\$ (27,900)
Travel	\$ 100,000	\$ 86,700	\$ (13,300)
<b>Total</b>	<b>\$ 1,162,700</b>	<b>\$ 1,255,200</b>	<b>\$ 92,500</b>



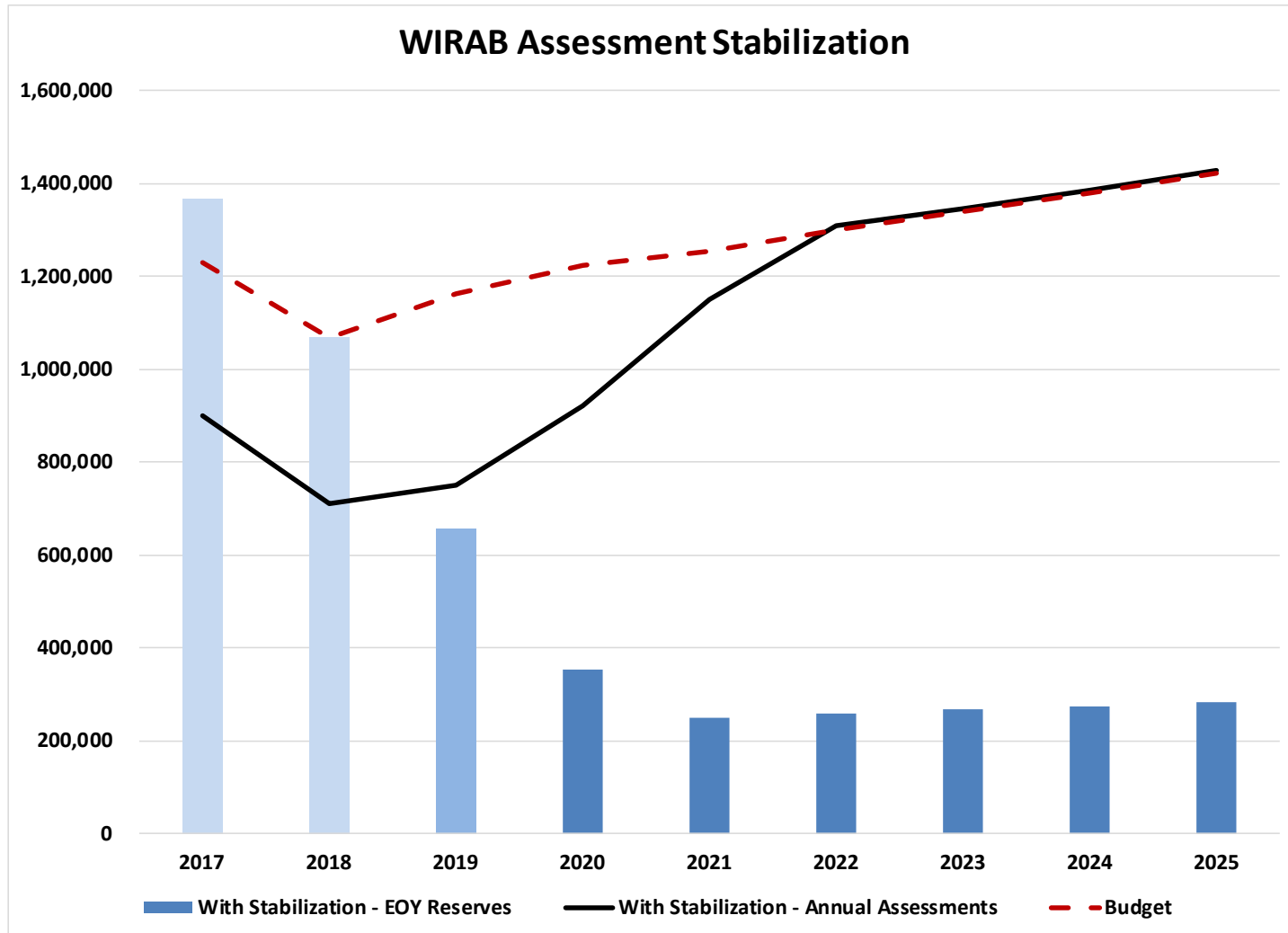
# WIRAB Assessment Stabilization

- WIRAB is targeting a working capital reserve equal to 20% of budgeted expenses beginning in 2021.
- On December 31, 2019, WIRAB projects its working capital reserve will be \$545,700.
- WIRAB's desired working capital reserve for December 31, 2020 is \$277,400; 22% of WIRAB's proposed 2020 budget.





## With Assessment Stabilization





**Thank You!**

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