



# 2022 Business Plan and Budget Overview

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# 2022 Statutory Budget and Assessment

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- \$29,747,000 budget (4.0% increase from 2021 budget)
- \$25,000,000 assessment (held flat from 2021 budget)
  - \$1,600,000 use of reserves
- 152.5 FTEs (4.0 increase from 2021 budgeted FTEs)

# Budget Development Process

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- Developed to:
  - Ensure adequate resources
  - Maintain adequate working capital reserves
  - Honor assessment stabilization commitments
  - Consider the residual impact of and due to the lessons learned during the pandemic
  - Support the ERO Enterprise Long-Term Strategy

# Budget Development Process

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- Posted working draft for WECC Board of Directors meeting in March 2021
- Participated in Member Advisory Committee Budget Subcommittee meetings and WIRAB May 6, 2021, webinar
- Stakeholder comment period was April 26–May 14, 2021
- Hosted two stakeholder budget overview webinars during comment period
- Seeking approval by WECC Board of Directors on June 16, 2021

# 2022 Budget Drivers

	<u>in 000s</u>	
<b>2021 Approved Budget</b>	<b>28,605</b>	
+ 4.0 FTE, 3% merit, labor float adj., changes in position levels, refinement of taxes/benefits	1,417	
+ Consulting for Peak Reliability donation data projects	400	
+ Increase in computer licensing due to subscription-based services/tools, new security tools	257	
+ Increase in Board of Director retainers	83	
+ Increase in HP Conference (co-hosted with NERC) meeting costs	50	
- Decrease in travel and meeting costs, partially due to COVID-19	(556)	
- Elimination of one-time RAPA consulting projects	(242)	
- Decrease in Board search fees	(133)	
- Decrease in webCDMS licensing fees due to Align	(104)	
- Decrease in office rent due to closure of the Vancouver office	(59)	
+ Other net changes	29	
<b>2022 DRAFT Budget</b>	<b>29,747</b>	<b>4.0% increase</b>

# 2022 Budget by Category

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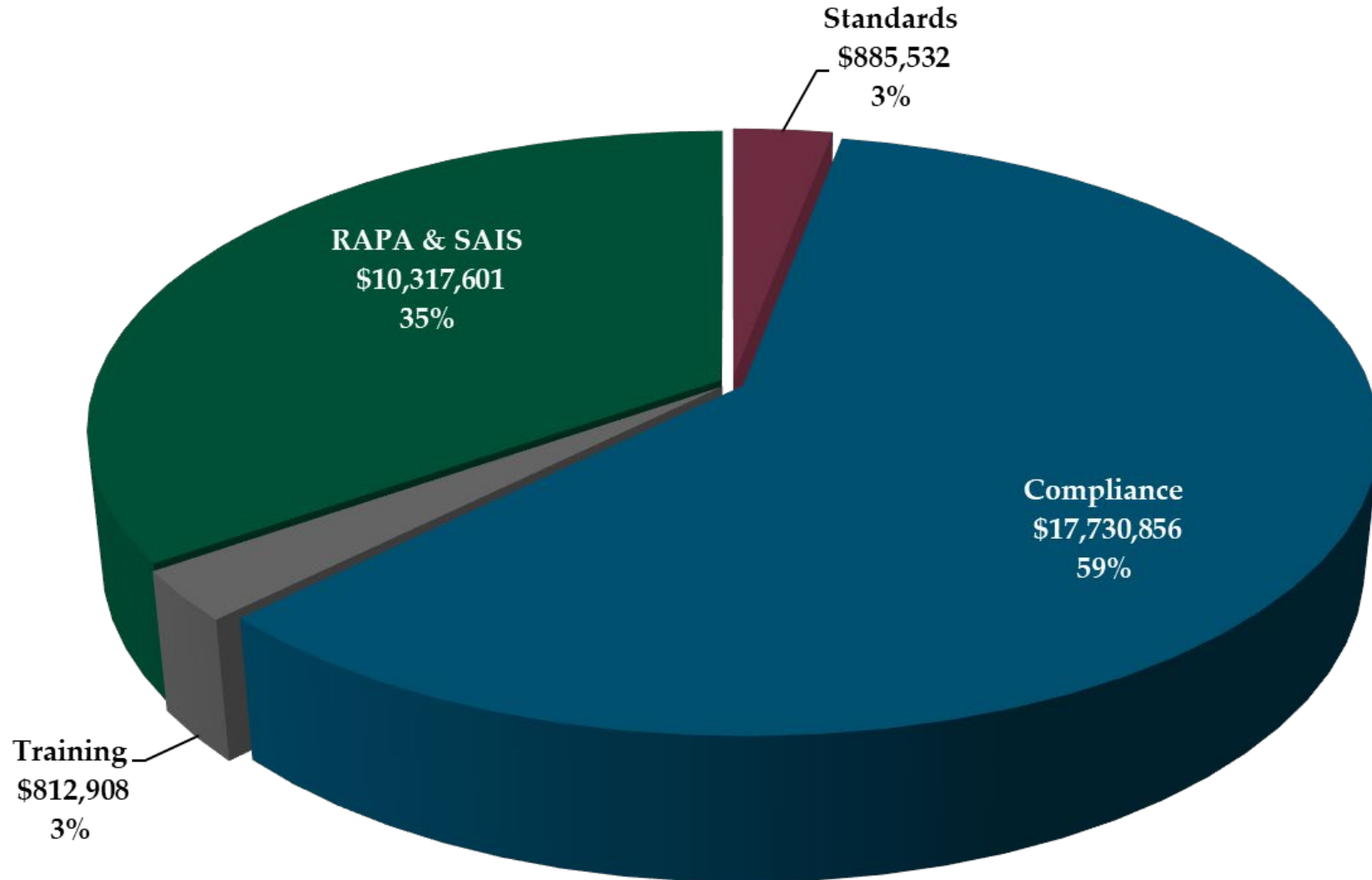
- Personnel Expenses—\$23,899,000 (6.3% increase)
  - 4.0 additional FTEs, 3% merit pool, labor float adjustments, changes in position levels, benefit rates and enrollment levels
- Meeting Expenses—\$1,231,000 (28.9% decrease)
  - COVID-19 pandemic-related reductions,
  - Planned reduction in CMEP audit travel, and
  - Format change for one Reliability and Security Workshop to 100% virtual

# 2022 Budget by Category

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- Operating Expenses—\$5,201,000 (4.4% increase)
  - Increases in subscription-based computer licensing and enterprise security tools,
  - Board of Director retainer adjustments, and
  - Reduction in rent due to Vancouver office closure
- Fixed Assets—\$112,000 (13.6% increase)
  - Refresh of storage arrays, drives, and blade servers

# 2022 Budget by Program Area





# 2022 Statutory Assessment

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- \$25,000,000 assessment
- Held flat from 2021 budget
- \$1,600,000 use of reserves

# Reserve Overview

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- Current policy is a range of one to three months of Operating Expenses
  - Working capital will be used to stabilize assessments in future budget years
- Three categories
  - Working capital
  - Unreleased penalties
  - Peak Reliability donation

# Projected Reserve Balances

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- Projected 2021 EOY balance—\$15,081,000
  - Working capital—\$8,410,000
  - Unreleased penalties—\$2,843,000
  - Peak Reliability donation—\$3,827,000
- Projected 2022 EOY balance—\$10,638,000
  - Working capital—\$7,211,000
  - Unreleased penalties—none
  - Peak Reliability donation—\$3,427,000

# Preliminary 2023 and 2024 Projections

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- 2023
  - Budget—\$30,163,000 (1.4% increase)
  - Assessment—\$25,500,000 (2.0% increase)
- 2024
  - Budget—\$31,019,000 (2.8% increase)
  - Assessment—\$26,010,000 (2.0% increase)



## Contact:

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