



2027 Business Plan and Budget

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Introduction

Organizational Overview

[Northeast Power Coordinating Council, Inc. \(NPCC\)](#) is a not-for-profit corporation responsible for promoting and enhancing the reliable operation of the international, interconnected bulk power system in Northeastern North America through (i) the development of Regional Reliability Standards and compliance assessment and enforcement of continent-wide and Regional Reliability Standards, coordination of system planning, design and operations, and assessment of reliability (collectively, Regional Entity activities), and (ii) the establishment of regionally-specific reliability criteria, and monitoring and enforcement of compliance with such criteria (collectively, Criteria Services activities). NPCC provides the functions and services for Northeastern North America of a cross-border Regional Entity through a Regional Entity division, as well as regionally-specific Criteria Services for Northeastern North America through a Criteria Services division.

The NPCC Region covers nearly 1.2 million square miles and is populated by more than 62 million people. NPCC includes seven states (Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont) and four Canadian provinces (New Brunswick, Nova Scotia, Ontario, and Québec). From a net energy for load perspective, NPCC is approximately 42% U.S. and 58% Canadian.

Membership and Governance

Members

Membership with NPCC is open, voluntary, and free of charge. NPCC has two classes of members, General Members and Full Members. Each Member belongs to one of seven industry sectors:

Sector 1) Transmission Owners

Sector 2) Reliability Coordinators

Sector 3) Transmission Dependent Utilities, Distribution Companies, Load Serving Entities

Sector 4) Generator Owners

Sector 5) Marketers, Brokers, and Aggregators

Sector 6) State and Provincial Regulatory and/or Governmental Authorities

Sector 7) Sub-Regional Reliability Councils, Customers, Other Regional Entities, and Interested Entities

Members meet at least annually to elect the Independent Directors and Stakeholder Directors and to conduct other business as may come before the meeting. Additionally, members approve amendments to the NPCC Amended and Restated Bylaws as recommended by the NPCC Board of Directors. Full Members of NPCC are subject to compliance with regionally-specific more stringent reliability criteria that are associated with bulk power system design, planning, operations, and maintenance. Organizations such as independent system operators (ISOs), regional transmission organizations (RTOs), transmission companies, entities that perform the Balancing Authority (BA) function, and state or sub-regional reliability councils are expected to be Full Members.

NPCC has three Member committees, the Reliability Coordinating Committee, the Compliance Committee, and the Reliability Standards Committee. It also has five Member task forces that report to the Reliability Coordinating Committee: the Task Force on Coordination of Operations, the Task Force on the Coordination of Planning, the Task Force on Infrastructure Security and Technology, the Task Force on System Protection, and the Task Force on System Studies. NPCC has various Member working groups that report to either a Task Force or Committee.

Board of Directors

NPCC is governed by a hybrid Board of Directors consisting of two directors from each of the seven member voting sectors, a voting independent sector consisting of at least three (3) but no more than five (5) independent directors, one of which is the independent Board Chair, and the President and CEO. No two sectors can control and no one sector can block action.

There are four Board committees that advise the Board of Directors on finance, retirement, governance, compensation, and human resource matters consistent with their approved charters.

- Finance and Audit Committee (FAC)
- Retirement Plan Investment Committee (RPIC)
- Governance and Nominating Committee (GNC)
- Compensation Committee (CC)

The Amended and Restated Bylaws establish NPCC's independence from users, owners, and operators of the Bulk Power System through the enhanced governance structure while providing fair stakeholder representation in the election of the Board of Directors and officers. The members, from each of the seven stakeholder voting sectors, vote to elect directors in their respective sector. The Amended and Restated Bylaws establish criteria for board service for both stakeholder and independent directors. Independent directors are drawn from diverse backgrounds and possess a broad range of industry expertise, perspectives, experiences, skill sets and knowledge to contribute to the effective functioning of a hybrid board structure.

Regional Entity Division Functional Scope

NPCC performs the following functions to further its mission and in accordance with its Federal Energy Regulatory Commission (FERC) approved Amended and Restated Regional Delegation Agreement between the North American Electric Reliability Corporation (NERC) and NPCC (Delegation Agreement) and with various individual Memorandum of Understanding or Agreements with Canadian regulatory authorities in New Brunswick, Nova Scotia, Ontario, and Québec:

- Active participation in the development and revision of North American Reliability Standards, and as needed development of Regional Reliability Standards and Variances applicable within the NPCC footprint.
- Monitoring and enforcement of approved Reliability Standards, including the registration of responsible entities, and as needed certification of such entities.

- Assessment of the present and future reliability, resiliency, security, and risks of the Bulk Power System (BPS).
- Promoting operational coordination, situational awareness, and the protection of critical infrastructure.
- Event analysis and identification of lessons learned to enhance reliability.
- Providing and coordinating training, education, and outreach to stakeholders.
- Participating in reliability and security activities that enhance resilience of the BPS.

The ERO Enterprise

Electricity is a vital component of the fabric of modern society and the Electric Reliability Organization (ERO) Enterprise serves to strengthen that fabric for the benefit of nearly 400 million North Americans. The ERO Enterprise, which consists of the North American Electric Reliability Corporation (NERC) and the six Regional Entities, works with users, owners, and operators of the bulk power system (BPS), government partners, and other stakeholders and industry participants, to pursue its mission of assuring the effective and efficient reduction of risks to the reliability and security of the BPS.

NERC and the Regional Entities play different, but important and complementary, roles in delivering ERO Enterprise programs. NERC provides industry-wide perspective and oversight, and the Regional Entities have unique features and activities that serve the needs of their regional constituents, while ensuring that registered entities follow NERC and Regional Reliability Standards. The ERO Enterprise is explicitly committed to its collective success in achieving its vision of a highly reliable and secure North American BPS.



ERO Enterprise Strategic and Operational Planning

NERC and the Regional Entities are continually refining their individual and collective operating and governance practices in support of strategic and operational goals and objectives that are designed to ensure the ERO fulfills its statutory obligations. This collaboration is done while acknowledging the unique differences across the Regional Entities, and the different corporate and governance responsibilities of each entity.

In 2024, the ERO Enterprise revised the [ERO Enterprise Long-Term Strategy](#). This strategy includes the following focus areas for achieving success in its vision and mission:

- **Energy** – Effectively leverage a broad range of data, tools, and approaches to assist stakeholders and policymakers in addressing existing BPS risks and proactively identifying and preparing for emerging and unknown risks to the grid.
- **Security** – Maintain cyber and physical security programs (E-ISAC, Standards, Compliance Monitoring and Enforcement Program (CMEP), technical committee work¹, outreach and engagement) that are risk-based, efficient, coordinated, and effectively advance the security posture of industry.
- **Engagement** – Ensure that the increasingly diverse spectrum of stakeholders and policymakers find value in engagements with the ERO Enterprise, seek ERO Enterprise expertise to inform their decision-making, and have confidence in the integrity and independence of ERO Enterprise programs.
- **Agility and Sustainability** – Perform as an effective and efficient team acting in coordination, ensuring its programs and efforts deliver value for stakeholders and policymakers as they manage changing reliability and security risk within the evolving industry landscape, and capturing cost efficiencies when practical.

As part of the business planning and budgeting process, NERC and the Regional Entities each have their own priorities and strategic focus areas but continually come together to ensure alignment with the long-term strategy and that business processes and operations harmonize across the ERO Enterprise where appropriate.

Since risks to reliability and security are fluid and can be impacted by recent events, NERC and each Regional Entity may also create annual work plan priorities that summarize the most critical goals and objectives for the year. In many cases, these work plan priorities are also used for individual, departmental, and company performance measurement.

¹ Technical committees include the NERC Standing Committees (Compliance and Certification Committee, Personnel Certification and Governance Committee, Reliability Issues Steering Committee, Reliability and Security Technical Committee, and Standards Committee) and Regional Entity committees.

Regional Entity Strategic Planning

2027 Strategic Focus Areas

NPCC has developed a forward-looking long-term strategy that supports NPCC's vision and mission and the ERO-Enterprise Long-Term Strategy. The [NPCC Long-Term Strategy](#) emphasizes reliability, resilience, and the security of the Bulk Power System across Northeastern North America. Looking towards 2027, this strategy serves as a roadmap for NPCC to continue its pivotal role in advising, promoting, building, enhancing, and regulating. NPCC aims to be viewed as a credible impartial advisor and trusted educator on energy-related matters in Northeastern North America. The NPCC focus areas identified in the long-term strategy are:

Advise and Educate on Energy-related Matters

NPCC is viewed as a credible unbiased advisor and serves the public interest by educating and advising stakeholders, fostering collaboration, and helping to guide decision-makers on best practices and regulations when integrating reliable energy approaches in Northeastern North America.

Promote Reliability Across the Region

NPCC enhances the reliability of critical energy infrastructure in Northeastern North America, addressing challenges such as the changing energy supply mix, extreme weather events, and regional adaptation to emerging energy technologies and the penetration of Distributed Energy Resources (DER) and Variable Energy Resources (VER), and Inverter Based Resources (IBRs).

Build and Develop a High-Performing, Engaged Workforce

NPCC aims to build a high-performing, engaged workforce by emphasizing collaboration, growth, and work-life balance, ensuring excellence in critical energy infrastructure responsibilities.

Enhance Resilience Against Critical Energy Infrastructure Threats

NPCC continues to fortify its internal systems and support the continued resilience of the critical energy infrastructure in Northeastern North America against both cyber and physical threats.

Regulate Impartially and Conduct Comprehensive Oversight

NPCC assures the reliability and security of the interconnected power system in the Northeast through impartial regulation and oversight. By upholding the highest standards of transparency, accountability, and technical excellence, we foster trust among stakeholders, support reliability and proactively mitigate risks to grid stability.

2027 Business Plan and Budget Overview

Funding and Budget Summary

Total NPCC Resource Requirements

NPCC's 2027 business plan and budget was developed through an iterative process balancing a commitment to cost containment with a continuously expanding remit. NPCC absorbs new work on an ongoing basis by reprioritizing and reallocating work where possible. The primary drivers of increased resources within the 2027 budget include: increasing workload and complexity of work driven by new entrants (including IBRs and large loads); additional compliance obligations from new and upcoming reliability standards; supporting new NERC task forces and associated work (expanded data analysis, reliability assessments and studies); and increasing stakeholder outreach. Some examples of recent cost saving measures are addressed in the [Major Drivers](#) section below.

NPCC proposes a 2027 total budget of \$33,433,400. This represents an increase of \$3,782,941 or 12.8% over the 2026 budget. The proposed 2027 funding requirement will be satisfied by a Regional Entity division assessment of \$30,110,136 and Criteria Services division membership fees of \$978,599 for a total of \$31,088,735. The total NPCC assessments and membership fees represent an increase of \$3,403,176 or 12.3% compared to the 2026 total assessments and membership fees. The following sections provide additional detail regarding the Regional Entity division. For more information regarding the Criteria Services division, see [Criteria Services Division Activities](#) section below.

Regional Entity Resource Requirements

The proposed 2027 Regional Entity division budget of \$32,235,148 represents an increase of \$3,839,281 or 13.5% over the 2026 budget. The proposed Regional Entity assessment of \$30,110,136 represents an increase of \$3,487,558 or 13.1% over the 2026 assessment. Assessments are allocated between US \$17,648,456 or 59% and Canada \$12,461,680 or 41%. The proposed assessment includes the release of \$1,453,512 of reserves to offset US and Canadian assessments and \$300,000 of penalties to offset US assessments.

The following targeted budget changes allow NPCC to accomplish the specific objectives outlined in the 2027 Business Plan and Budget (dollars are stated as an increase in the 2027 budget compared to the 2026 budget).

Major Drivers

- **Personnel** expenses increase of \$3,161,341 is associated with the addition of 9.15 full time employees (FTEs); a budgeted 4.0% average salary increase (includes merit increases and promotions) due to a highly competitive recruiting and retention

environment; and a projected 8% increase in medical premiums. The 2027 budget includes the full year employment cost associated with FTEs onboarded throughout 2026. Additional FTEs are required for NPCC to address increasing workload and increasing complexity of work. New workload is reallocated among existing staff where possible before adding additional FTEs. Changes in staffing by program area are addressed in the [Personnel Analysis](#) table on page 16 below and in subsequent program area sections.

- **Meetings & Travel** expenses increase of \$157,033 due to expanded stakeholder outreach, inflation, and an increase in employees. Some meetings continue to be held in virtual or hybrid format to contain costs and to allow for greater access through remote participation. Increase is partially offset by cost savings from efficiencies gained by streamlining on-site compliance engagement procedures over recent years to complete more work remotely reducing the required number of staff on-site and the duration of time spent on-site.
- **Consultants & Contracts** increase of \$120,250 due to increased external communications consulting services to address expanded communications activities. External communications workload will continue to be evaluated to determine whether there is a long-term need for an additional FTE.
- **Office Costs** increase of \$277,002 due to investments in IT infrastructure, data management tools and funding to support the Align and Secure Evidence Locker (SEL) enhancements. While IT resource needs are increasing, staff have negotiated lower software contracts and license renewals to partially offset these costs. The increase in IT subscription costs is driven by onboarding new employees, expanding data analytics and energy assessments, bringing tools in-house to enhance internal capabilities, reducing reliance on external consultants, security operations, and communication capabilities.
- **Professional Services** decrease of \$86,230 primarily associated with a decrease in independent director search fees.
- **Fixed Asset Additions** increase of \$206,643 due to website enhancements, internal security development, and laptop replacements scheduled for 2027.

Regional Entity Statement of Activities and Variance Explanations

Statement of Activities and Capital Expenditures □						
REGIONAL ENTITY DIVISION						
	2026 Budget	2026 Projection	Variance 2026 Projection v 2026 Budget Over(Under)	2027 Budget	Variance 2027 Budget v 2026 Budget Over(Under)	Variance %
Funding						
ERO Funding						
ERO Assessments	\$ 26,622,578	\$ 26,622,578	\$ -	\$ 30,110,136	\$ 3,487,558	
Penalty Sanctions ⁽¹⁾	500,000	500,000	-	300,000	(200,000)	
Total ERO Funding	\$ 27,122,578	\$ 27,122,578	\$ -	\$ 30,410,136	\$ 3,287,558	12%
Membership Dues	-	-	-	-	-	
Testing Fees	-	-	-	-	-	
Services & Software	-	-	-	-	-	
Workshops & Misc Revenue	48,500	48,500	-	48,500	-	
Interest & Investment Income	252,700	340,000	87,300	323,000	70,300	
Total Funding (A)	\$ 27,423,778	\$ 27,511,078	\$ 87,300	\$ 30,781,636	\$ 3,357,858	12%
Expenses						
Personnel Expenses						
Salaries	\$ 16,041,208	\$ 16,041,208	\$ -	\$ 17,901,829	\$ 1,860,621	
Payroll Taxes	1,171,041	1,171,041	-	1,363,848	192,807	
Benefits	3,999,743	3,999,743	-	4,891,400	891,657	
Retirement Costs	1,701,865	1,701,865	-	1,918,121	216,256	
Total Personnel Expenses	\$ 22,913,856	\$ 22,913,856	\$ -	\$ 26,075,198	\$ 3,161,341	14%
Meeting Expenses						
Meetings & Conference Calls	\$ 409,290	\$ 409,290	\$ -	\$ 494,350	\$ 85,060	
Travel	1,191,496	1,191,496	-	1,263,468	71,973	
Total Meeting Expenses	\$ 1,600,786	\$ 1,600,786	\$ -	\$ 1,757,818	\$ 157,033	10%
Operating Expenses, excluding Depreciation						
Consultants & Contracts	\$ 1,173,000	\$ 1,173,000	\$ -	\$ 1,293,250	\$ 120,250	
Office Rent	389,500	389,500	-	402,000	12,500	
Office Costs	1,443,376	1,443,376	-	1,720,378	277,002	
Professional Services	1,130,380	1,130,380	-	1,044,150	(86,230)	
Miscellaneous	25,000	25,000	-	25,080	80	
Total Operating Expenses, excluding Depreciation	\$ 4,161,256	\$ 4,161,256	\$ -	\$ 4,484,858	\$ 323,602	8%
Total Direct Expenses	\$ 28,675,898	\$ 28,675,898	\$ -	\$ 32,317,874	\$ 3,641,976	13%
Indirect Expenses	\$ (393,521)	\$ (334,493)	\$ 59,028	\$ (402,859)	\$ (9,338)	3%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 28,282,377	\$ 28,341,405	\$ 59,028	\$ 31,915,015	\$ 3,632,638	13%
Change in Net Assets (=A-B)	\$ (858,599)	\$ (830,327)	\$ -	\$ (1,133,379)	\$ (274,780)	33%
Fixed Asset Additions (C)	\$ 113,490	\$ 113,490	\$ -	\$ 320,133	\$ 206,643	182%
TOTAL BUDGET (=B+C)	\$ 28,395,867	\$ 28,454,895	\$ 59,028	\$ 32,235,148	\$ 3,839,281	13%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (972,089)	\$ (943,817)	\$ 28,272	\$ (1,453,512)	\$ (509,694)	54%
FTES	83.30	84.45	1.15	92.45	9.15	11%

⁽¹⁾ \$300,000 of penalties released from the Assessment Stabilization Reserve (ASR) to offset U.S. assessments as approved by the NPCC Board of Directors, NERC and FERC. Actual penalties invoiced in the current reporting year are shown as an increase in the ASR on the reserve summary table and will be reported as income on the audited financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

⁽²⁾ 2026 Projections are based on the first quarter statement of activities. It is anticipated that projections could change throughout 2026 and would be reflected in each subsequent quarter's statement of activities.

2027 Program Area Budgets – Major Budget Drivers

Program	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 1,308,647	\$ 1,261,096	\$ (47,551)	-3.6%
Compliance Monitoring and Enforcement and Organization Registration and Certification	\$ 16,920,537	\$ 18,685,355	\$ 1,764,818	10.4%
Reliability Assessments and Performance Analysis	\$ 5,824,579	\$ 6,803,943	\$ 979,364	16.8%
Training, Education and Operator Certification	\$ 435,455	\$ 1,061,910	\$ 626,456	143.9%
Situation Awareness and Infrastructure Security	\$ 3,906,649	\$ 4,422,843	\$ 516,194	13.2%
Total	\$ 28,395,867	\$ 32,235,148	\$ 3,839,281	13.5%

This chart does not include allocation of working capital requirements among the program areas.

A summary of major budget increase drivers by statutory program is provided below.

Reliability Standards

- **Personnel** expenses decrease of \$20,095 due to a net decrease of 0.30 FTEs resulting from partial reallocation of several employees to accommodate changing workload.
- **Indirect** expenses decrease of \$11,913 due to a decrease in FTEs.

Compliance Monitoring and Enforcement and Organization Registration and Certification

- **Personnel** expenses increase of \$710,115 mainly due to a net increase of 2.10 FTEs to enhance CORC's capacity to effectively execute its remit of BPS risk-reduction, while also managing the additional workload associated with IBR/GOP registration, compliance monitoring and enforcement.
- **Office Costs** expenses increase of \$106,550 mainly due to funding contribution to support the Align and Secure Evidence Locker enhancements.
- **Indirect** expenses increase of \$841,980 due to an increase in FTEs.

Reliability Assessment and Performance Analysis

- **Personnel** expenses increase of \$436,644 due to an increase of 2.00 FTEs to support increasing reliability assessments and studies, including increasing frequency and scope of ERO-wide probabilistic assessments, and additional data analysis requirements.
- **Indirect** expenses increase of \$450,557 due to an increase in FTEs.

Training and Education

- **Personnel** expenses increase of \$427,079 due to a net increase of 0.60 FTEs to continue expanding training and education of stakeholders. FTE increase includes reallocation of senior level staff associated with external affairs activities.
- **Indirect** expenses increase of \$101,519 due to an increase in FTEs.

Situation Awareness and Infrastructure Security

- **Personnel** expenses increase of \$271,689 due to an increase of 1.00 FTE to support increasing workload and complexity of Situational Awareness activities.
- **Consultants & Contracts** decrease of \$48,000 due to decreased need for contractor support with the addition of 1.00 FTE.
- **Indirect** expenses increase of \$254,643 due to an increase in FTEs.

Administrative Services

Administrative Services Program Resources						
(in whole dollars)						
	Direct Expenses			FTEs		
	2026 Budget	2027 Budget	Increase (Decrease)	2026 Budget	2027 Budget	Increase (Decrease)
General and Administrative	\$3,772,799	\$4,752,154	\$979,355	4.00	8.00	4.00
Legal and Regulatory	\$1,063,616	\$1,828,454	\$764,838	2.25	4.00	1.75
Information Technology	\$3,370,406	\$3,346,147	(\$24,259)	8.00	6.00	-2.00
Human Resources	\$493,193	\$522,144	\$28,952	2.00	2.00	0.00
Finance and Accounting	\$1,142,186	\$1,246,070	\$103,884	3.00	3.00	0.00
Total Administrative Services¹	\$9,842,201	\$11,694,970	\$1,852,769	19.25	23.00	3.75

¹ NPCC's 2027 Administrative Services Direct Expenses and Fixed Assets total \$11,694,970 of which \$402,859 is allocated to NPCC's Criteria Services division, which is a non-statutory function. As a result of the allocation to the Criteria Services division, the Administrative Expenditures included in the 2027 statutory budget are \$11,292,111 which is an increase of \$1,843,431 from the 2026 budget of \$9,448,680.

- **Personnel** expenses increase of \$1,335,909 due to a net increase of 3.75 FTEs resulting from adding 2 new FTEs and the partial redeployment of several FTEs to accommodate changing workload in the areas of enterprise risk and communications.
- **Meetings & Travel** expenses increase of \$63,235 due to an increase in FTEs, expanded stakeholder outreach and inflation.
- **Consultants & Contracts** increase of \$151,250 due to increased external communications consulting services to address increased workload. External communications workload will continue to be evaluated to determine whether there is a long-term need for an additional FTE.
- **Office Costs** increase of \$169,382 due to investments in IT infrastructure and data management tools. While IT resource needs are increasing, staff have negotiated lower software contracts and license renewals to partially offset these costs. The

increase in IT subscription costs is driven by onboarding new employees, expanding data analytics and energy assessments, bringing tools in-house to enhance internal capabilities, reducing reliance on external consultants, security operations, and communication capabilities.

- **Professional Services** decrease of \$86,230 primarily associated with a decrease in independent director search fees.

Personnel Analysis and Expenses

Total FTEs by Program Area	2026 Budget	2027 Budget Direct FTEs	2027 Budget Shared FTEs	2027 Budget Total FTEs	Change from 2026 Budget
REGIONAL ENTITY DIVISION					
Operational Programs					
Reliability Standards	2.90	1.05	1.55	2.60	-0.30
Compliance Monitoring and Enforcement and Organization Registration and Certification	41.70	43.80	0.00	43.80	2.10
Training, Education, and Operator Certification	0.55	1.15	0.00	1.15	0.60
Reliability Assessment and Performance Analysis	11.00	13.00	0.00	13.00	2.00
Situation Awareness and Infrastructure Security	7.90	8.90	0.00	8.90	1.00
Total FTEs Operational Programs	64.05	67.90	1.55	69.45	5.40
Administrative Programs					
General and Administrative	4.00	8.00	0.00	8.00	4.00
Information Technology	8.00	6.00	0.00	6.00	-2.00
Legal and Regulatory	2.25	4.00	0.00	4.00	1.75
Human Resources	2.00	2.00	0.00	2.00	0.00
Accounting and Finance	3.00	3.00	0.00	3.00	0.00
Total FTEs Administrative Programs	19.25	23.00	0.00	23.00	3.75
Total FTEs	83.30	90.90	1.55	92.45	9.15

¹A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

Personnel Expenses	Budget 2026	Budget 2027	Variance \$	Variance %
Total Salaries	\$ 16,041,208	\$ 17,901,829	\$ 1,860,621	11.6%
Total Payroll Taxes	1,171,041	1,363,848	192,807	16.5%
Total Benefits	3,999,743	4,891,400	891,657	22.3%
Total Retirement	1,701,865	1,918,121	216,256	12.7%
Total Personnel Expenses	\$ 22,913,856	\$ 26,075,198	\$ 3,161,341	13.8%
FTEs	83.30	92.45	9.15	11.0%
Cost per FTE				
Salaries	\$ 192,572	\$ 193,638	\$ 1,066	0.6%
Payroll Taxes	14,058	14,752	694	4.9%
Benefits	48,016	52,909	4,892	10.2%
Retirement	20,431	20,748	317	1.6%
Total Cost per FTE	\$ 275,076	\$ 282,046	\$ 6,970	2.5%

Explanation of Significant Variances – 2026 Budget versus 2027 Budget

Variance explanations can be found in the [Major Drivers](#) and [Major Budget Drivers—Program Areas Section](#).

Consultants and Contracts

Consultants & Contracts	Budget 2026	Budget 2027	Variance \$	Variance %
Reliability Standards	\$ 15,000	\$ -	\$ (15,000)	-100.0%
Compliance Enforcement and Organization Registration and Certification	\$ -	\$ -	\$ -	-
Reliability Assessment and Performance Analysis	\$ 928,000	\$ 960,000	\$ 32,000	3.4%
Training and Education	\$ -	\$ -	\$ -	-
Situation Awareness and Infrastructure Security	\$ 140,000	\$ 92,000	\$ (48,000)	-34.3%
General and Administrative	\$ 90,000	\$ 241,250	\$ 151,250	168.1%
Legal and Regulatory	\$ -	\$ -	\$ -	-
Information Technology	\$ -	\$ -	\$ -	-
Human Resources	\$ -	\$ -	\$ -	-
Accounting and Finance	\$ -	\$ -	\$ -	-
Total Consultants and Contracts	\$ 1,173,000	\$ 1,293,250	\$ 120,250	10.3%

Explanation of Significant Variances – 2026 Budget versus 2027 Budget

- Increase in Consultants and Contracts due to expanded communications activities and planned reliability assessments.

Fixed Assets

Fixed Asset Additions	Budget 2026	Budget 2027	Variance \$	Variance %
Equipment CapEx	\$ 74,690	\$ 173,283	\$ 98,593	132.0%
Computer & Software CapEx	\$ 38,800	\$ 146,850	\$ 108,050	278.5%
Furniture & Fixtures CapEx	\$ -	\$ -	\$ -	-
Leasehold Improvements	\$ -	\$ -	\$ -	-
Allocation of Fixed Assets	\$ -	\$ -	\$ -	-
Total Fixed Asset Additions	\$ 113,490	\$ 320,133	\$ 206,643	182.1%

Explanation of Significant Variances – 2026 Budget versus 2027 Budget

- Increase in fixed asset additions due to website enhancements, internal security development, and laptop replacements scheduled for 2027.

Regional Entity Reserve Analysis

Working Capital and Operating Reserve Analysis 2026-2027				
REGIONAL ENTITY DIVISION				
	Total Reserve	Working Capital	Operating Reserve	Assessment Stabilization
Beginning Total Reserve, December 31, 2025	10,713,521	7,378,300	2,271,669	1,063,552 ⁴
Plus: 2026 ERO Funding (from LSEs or designees)	27,122,578	27,122,578		
Plus: 2026 Other funding sources	388,500	388,500		
Plus: Penalties collected	0			
Approved 2026 Penalties released to offset U.S. assessments	0	500,000		(500,000)
Less: 2026 Projected expenses & capital expenditures	(28,454,895)	(28,454,895)		
Projected Total Reserve, December 31, 2026	9,769,705	6,934,483	2,271,669	563,552
Desired Total Reserve, December 31, 2027	8,016,193	5,173,829 ¹	2,578,812 ²	263,552
Less: Projected Total Reserve, December 31, 2026	(9,769,705)	(6,934,483)	(2,271,669)	(563,552)
Increase(decrease) in assessments to achieve desired Total Reserve	(1,753,512)	(1,760,654)	307,142	(300,000)
2027 Expenses and Capital Expenditures	32,235,148			
Less: Penalty Sanctions (Applied to U.S. Only) ³	(300,000)			
Less: Other Funding Sources	(371,500)			
Adjustment to Operating Reserve to achieve desired Total Reserve balance ²	307,142			
Adjustment to Working Capital to achieve desired Total Reserve balance ¹	(1,760,654)			
2027 Assessment	30,110,136			

¹ Working Capital within a range from 8% to 25% of Budget. \$5,173,829 represents 16% of the 2027 budget of \$32,235,148

² Operating Reserve equal to 8% of Budget. \$2,578,812 represents 8% of the 2027 budget of \$32,235,148

³ Represents amount applied to reduce 2027 assessments. Balance of collections July 1, 2025 through June 30, 2026 retained for assessment stabilization purposes.

⁴ Assessment Stabilization Reserve balance was \$1,020,729 at June 30, 2025. Penalty Sanctions totaling \$42,823 were collected July 1, 2025 through December 31, 2025.

Explanation of Changes in Reserves

There was no change to the existing Working Capital and Operating Reserve Policy. NPCC maintains an Assessment Stabilization Reserve (ASR) separate from the Working Capital and Operating Reserve. The purpose of the ASR is to enable penalty funds to be released in multiple budget years to avoid large fluctuations in assessments. NERC Rules of Procedure Section 1107.2 specifies that penalty funds received by NPCC during the 12 months ended June 30th are to be used in the subsequent budget year to offset assessments. Pursuant to Section 1107.4, exceptions or alternatives to this provision are allowed if approved by NERC and FERC. Therefore, pursuant to Section 1107.4, NPCC requests that the Commission approve an exception to the requirement of Section 1107.2 that all penalties collected during the 12 months ended the previous June 30 be used to reduce NPCC's assessments in the following year, in order to allow NPCC to (i) deposit the \$42,823 of penalties collected during the 12 months ended June 30, 2026 (\$42,823 collected July 1, 2025 through December 31, 2025 and \$0 collected January 1, 2026 through June 30, 2026) into the ASR, and (ii) use \$300,000 of the penalty funds in the ASR to reduce its 2027 assessment. In future years, NPCC will specify the amount of penalty funds to be released and the amount of penalty funds to be retained to offset assessments in future years within its Business Plan and Budget to be approved annually by NPCC's Board of Directors, NERC, and FERC.

Three-Year Budget Projections

NPCC's projections for 2028 and 2029 were developed based on known and anticipated changes in workload. The resources included in these projections address increased workload driven by new entrants (IBRs and large loads), expanded compliance obligations from new and upcoming Reliability Standards, and new NERC directives (supporting new task forces, increased data analysis, additional reliability assessments and studies).

Statement of Activities and Capital Expenditures 2027 Budget & Projected 2028 and 2029 Budgets							
	2027 Budget	2028 Projection	\$ Change 27 v 28	% Change 27 v 28	2029 Projection	\$ Change 28 v 29	% Change 28 v 29
Funding							
ERO Funding							
ERO Assessments	\$ 30,110,136	\$ 33,861,548	\$ 3,751,412	12.5%	\$ 36,789,957	\$ 2,928,409	8.0%
Penalties Released	300,000	150,000	(150,000)	-50.0%	100,000	(50,000)	-50.0%
Total ERO Funding	\$ 30,410,136	\$ 34,011,548	\$ 3,601,412	11.8%	\$ 36,889,957	\$ 2,878,409	7.8%
Membership Dues	-	-	-	-	-	-	-
Testing Fees	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-
Workshops & Miscellaneous	48,500	48,500	-	0.0%	48,500	-	0.0%
Interest & Investment Income	323,000	333,000	10,000	3.1%	343,000	10,000	3.0%
Total Funding (A)	\$ 30,781,636	\$ 34,393,048	\$ 3,611,412	11.7%	\$ 37,281,457	\$ 2,888,409	8.4%
Expenses							
Personnel Expenses							
Salaries	\$ 17,901,829	\$ 19,617,902	\$ 1,716,073	9.6%	\$ 20,962,618	\$ 1,344,716	6.9%
Payroll Taxes	1,363,848	1,505,679	141,831	10.4%	1,644,020	138,341	9.2%
Benefits	4,891,400	5,457,712	566,312	11.6%	6,034,329	576,617	10.6%
Retirement Costs	1,918,121	2,113,208	195,087	10.2%	2,304,000	190,792	9.0%
Total Personnel Expenses	\$ 26,075,198	\$ 28,694,501	\$ 2,619,303	10.0%	\$ 30,944,967	\$ 2,250,466	7.8%
Meeting Expenses							
Meetings & Conference Calls	\$ 494,350	\$ 589,181	\$ 94,831	19.2%	\$ 606,856	\$ 17,675	3.0%
Travel	1,263,468	1,381,372	117,904	9.3%	1,422,813	41,441	3.0%
Total Meeting Expenses	\$ 1,757,818	\$ 1,970,553	\$ 212,735	12.1%	\$ 2,029,669	\$ 59,117	3.0%
Operating Expenses							
Consultants & Contracts	\$ 1,293,250	1,319,115	25,865	2.0%	1,345,497	\$ 26,382	2.0%
Office Rent	402,000	410,040	8,040	2.0%	418,241	8,201	2.0%
Office Costs	1,720,378	1,844,786	124,408	7.2%	1,971,681	126,896	6.9%
Professional Services	1,044,150	1,195,033	150,883	14.5%	1,128,934	(66,099)	-5.5%
Miscellaneous	25,080	25,080	-	0.0%	25,080	-	0.0%
Total Operating Expenses	\$ 4,484,858	\$ 4,794,054	\$ 309,196	6.9%	\$ 4,889,433	\$ 95,379	2.0%
Total Direct Expenses	\$ 32,317,874	\$ 35,459,107	\$ 3,141,233	9.7%	\$ 37,864,069	\$ 2,404,962	6.8%
Indirect Expenses	\$ (402,859)	\$ (431,059)	\$ (28,200)	7.0%	\$ (452,612)	\$ (21,553)	5.0%
Other Non-Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	
Total Expenses (B)	\$ 31,915,015	\$ 35,028,048	\$ 3,113,033	9.8%	\$ 37,411,457	\$ 2,383,409	6.8%
Change in Assets	\$ (1,133,379)	\$ (635,000)	\$ 498,379	-44.0%	\$ (130,000)	\$ 505,000	-79.5%
Fixed Assets Additions (C)	\$ 320,133	\$ 265,000	\$ (55,133)	-17.2%	\$ 170,000	\$ (95,000)	-35.8%
TOTAL BUDGET (=B+C)	\$ 32,235,148	\$ 35,293,048	\$ 3,057,900	9.5%	\$ 37,581,457	\$ 2,288,409	6.5%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (1,453,512)	\$ (900,000)	\$ 553,512	-38.1%	\$ (300,000)	\$ 600,000	0.0%
FTEs	92.45	97.45	5.00	5.4%	101.45	4.00	4.1%

Key Assumptions

2028

- Increase of 5 FTEs (3 CORC, 1 RAPA, 1 SAIS) and full year cost of employment for FTEs onboarded throughout 2027.
- 4% average salary increase (includes promotions/adjustments).
- Inflationary increases.
- Professional services increase primarily associated with exploring the transition to a more balanced hybrid Board structure by increasing the number of independent directors.
- Decrease in fixed asset additions due to limited number of laptop replacements in this cycle year.

2029

- Increase of 4 FTEs (2 CORC, 1 IT, 1 RAPA).
- 4% average salary increase (includes promotions/adjustments).
- Inflationary increases.
- Decrease in fixed asset additions due to no major software development projects planned in 2029.

Regional Entity Assessment Analysis

In the area of assessments there are distinct funding mechanisms as outlined in the following table. For the Regional Entity (RE) division, NERC will assess load serving entities (LSEs) or their designees (within NPCC the designees are the Balancing Authority Areas (BAAs) for New York, New England, New Brunswick, Nova Scotia, Ontario, and Québec) based upon 2025 proportional Net Energy for Load (NEL) and other specific program area funding arrangements and make quarterly remittances to the Regional Entity on or about the 15th day of January, April, July, and October. For funding associated with the Criteria Services division, the Independent System Operators/Balancing Authority Areas (ISO/BAAs) will be assessed by NPCC for their proportional share of the divisional budget based upon 2025 NEL within the Region. Non-ISO/BAA Full Members will be assessed no membership fee.

NPCC Cost Allocation Methodology

The accompanying table provides information regarding cost allocation for both the Regional Entity division and the Criteria Services division of NPCC, including the details associated with the funding of the Compliance Program within the RE division. For purposes of determining assessments to support NPCC's resource requirements, costs are allocated among the ISOs/BAAs within NPCC as the designees for the LSEs in New York, New England, Ontario, Québec, New Brunswick, and Nova Scotia.

To reflect and respect the international membership and nature of NPCC, any sub-Regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only ISOs/BAAs consistent with NERC Rules of Procedure Section 1102. Additionally, the compliance responsibilities and authorities within the U.S., and the specific compliance responsibilities within each of the Canadian provinces within NPCC, and the attendant costs of portions of the compliance program differ among the areas within the Regional Entity. Within the U.S. portion of NPCC all costs attributable to delegated (statutory) functions performed by NPCC, including all compliance functions, are assessed based on a NEL allocation. Within the Canadian portion of NPCC those costs attributable to compliance functions performed by NPCC on behalf of provincial governmental and/or regulatory authorities are allocated consistent with the unique MOUs or Agreements that have been entered into for those provinces. To address these different compliance regimes, NPCC developed a composite cost allocation methodology that allocates U.S. only reliability assessment and compliance costs on a fair and equitable basis within the Regional Entity.

As an initial step of that methodology, the NEL for each of the BAAs and their relative percentage to the NPCC total NEL is calculated for the most recent year for which data is available, the second previous year. To establish the RE division funding requirements for each BAA on a NEL basis for all programs except for Compliance, the proposed expenses and fixed assets of all other programs are calculated and the adjustment for the RE division cash

reserve requirement is identified. Penalty funds received from NPCC registered entities within the U.S. are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based on their relative NELs. Consistent with each of the Canadian provincial MOUs and Agreements, all penalty funds resulting from compliance actions within Canada, if any, would remain within the applicable province. The total budgeted fees for NPCC workshop participation are indicated as a credit, with the resultant addition being the RE division assessment, without the compliance program costs, calculated on a NEL basis.

In accordance with the NPCC Amended and Restated Bylaws the Criteria Services (CS) division proposed expenses and fixed assets of all programs are calculated and the adjustment for the CS division cash reserve requirement is identified, with the resultant addition being the CS division funding requirement and assessment, calculated on a NEL basis.

For costs associated with the RE division compliance program, NPCC's allocation methodology has been enhanced to better stabilize assessments. NPCC applies a rolling seven-year compliance cost average to total compliance program expenses for the current budget year. For each of the seven years, costs attributed to CORC Fundamentals (CF), are allocated between the BAAs in the United States and Canada on a NEL basis.

Compliance Audits and Investigations (CAI) related costs are allocated between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an audit-based methodology. The audit-based methodology incorporates relative costs based on categories of compliance audits which are reflective of their size and complexity, as well as the differing compliance program implementation models that are utilized in NPCC due to the international nature of the Regional Entity. The portion allocated to the U.S. BAAs in NPCC is calculated using the audit-based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL.

Compliance Mitigation and Enforcement (CME) related costs are allocated between U.S. and Canadian BAAs in NPCC, and among the Canadian provinces, using an enforcement activity-based methodology. Based on historical data, NPCC reviewed each BAAs percentage of violations, mitigation plans and settlement agreements to determine each BAA's total average percentage of enforcement activities. The portion allocated to the U.S. BAA's in NPCC is calculated using the enforcement activity-based methodology, and this amount is then re-allocated between the New York and New England BAAs based on their relative NEL.

The seven-year average allocation percentage of total combined compliance costs for each BAA is then applied to the total compliance program expenses for the current budget year to mitigate fluctuations in assessments from year to year.

Penalty funds received from NPCC registered entities within the U.S. are then allocated among the NPCC program areas based on their FTE ratio and between the U.S. BAAs based

on their relative NELs, and then added to the total compliance program expenses and fixed assets to yield a total compliance program assessment.

The CORC actual vs budget variance from the most recent year for which audited financials are available is broken out from the rest of the Adjustment to Cash Reserve and assigned to the CORC program allocation of costs. Within Québec these costs are funded directly by the regulator, therefore, the assignment of program area variances needs to respect those specific circumstances.

Finally, the total RE division funding requirements and assessments by BAA are tabulated and the total funding requirements and assessments for NPCC, both the RE and CS divisions, are combined.

Regional Entity and Criteria Services Funding Allocation Table

NPCC 2027 Regional Entity (RE) and Criteria Services (CS) Divisional Funding Information

A-1	B-1	B-1a.	C-1	C-1a.	D-1	E-1	F-1	G-1	H-1	I-1	J-1	K-1	L-1	M-1	N-1	O-1
NPCC Balancing Authorities (LSE Designees)	2025 Net Energy for Load (GWh)	2025 NPCC US NEL (GWh)	2025 NEL % of NPCC Total	2025 NEL % of NPCC U.S.	Costs Associated with U.S. Only Reliability Study ¹	2027 ² NPCC RE Division Expenses & Fixed Assets Minus CORC and U.S. Only	Adjustment to RE Division Cash Reserve Requirement Less CORC Assigned	2027 ² NPCC RE Division Funding Requirement Minus CORC Program	Penalty Monies Applied to RE Division Minus CORC Program	Budgeted Workshop Fees and Interest Income	2027 ² NPCC RE Division Assessment Minus CORC (G-1 plus H-1 plus I-1)	2027 NPCC CS Division Expenses Minus Interest Income	2027 Adjustment to CS Division Cash Reserve Requirement	2027 NPCC CS Division Funding Requirement (K-1 plus L-1)	CS Division Budgeted Interest Income	2027 NPCC CS Division Member Fees (M-1 plus N-1)
New England	117,763	117,763	18.327%	43.720%	TBD	2,483,246	-131,548	2,351,697	-48,441	-68,084	2,235,172	219,601	-37,140	182,462	-3,116	179,346
New York	151,594	151,594	23.592%	56.280%	TBD	3,196,634	-169,340	3,027,294	-62,358	-87,643	2,877,293	282,689	-47,809	234,879	-4,011	230,869
Ontario	146,557		22.808%			3,090,419	-163,713	2,926,706	0	-84,731	2,841,975	273,296	-46,221	227,075	-3,877	223,198
Québec	200,612		31.220%			4,230,267	-224,096	4,006,171	0	-115,983	3,890,188	374,096	-63,269	310,828	-5,307	305,520
New Brunswick	14,547		2.264%			306,750	-16,250	290,500	0	-8,410	282,090	27,127	-4,588	22,539	-385	22,154
Nova Scotia	11,499		1.790%			242,477	-12,845	229,632	0	-6,648	222,984	21,443	-3,627	17,817	-304	17,512
Total	642,572	269,357	100.000%	100.000%	\$0	\$13,549,792	-\$717,792	\$12,832,001	-\$110,799	-\$371,500	\$12,349,701	\$1,198,252	-\$202,653	\$995,599	-\$17,000	\$978,599

A-2	B-2	C-2	D-2	E-2	F-2	G-2	H-2	I-2	J-2	K-2	L-2
NPCC Balancing Authorities (LSE Designees)	7 Year Average CORC Costs Allocation ¹	2027 CORC Program Expenses & Fixed Assets Minus Align/SEL Costs	2027 Total CORC Program Expenses & Fixed Assets Align/SEL Costs ⁴	2027 Total CORC Program Expenses & Fixed Assets	Penalty Monies Applied to CORC Program	Assigned CORC Program 2025 Actual vs Budget Variance	Total CORC Program 2027 (E-2 plus F-2 plus G-2)	RE Division Total Funding Requirement (G-1 plus E-2 plus G-2)	2027 RE Division Assessment (J-1 plus H-2)	2027 NPCC Total Funding Requirement (M-1 plus I-2)	2027 NPCC Total Assessment & Member Fees (O-1 plus J-2)
New England	30.93%	5,748,567	39,543	5,788,110	-82,719	-226,327	5,479,064	7,913,480	7,714,236	8,095,942	7,893,582
New York	39.84%	7,404,322	50,903	7,455,224	-106,482	-291,814	7,056,928	10,190,704	9,934,220	10,425,583	10,165,089
Ontario	6.57%	1,220,766	7,518	1,228,284	0	-48,562	1,179,722	4,106,428	4,021,697	4,333,503	4,244,895
Québec	17.80%	3,307,673	0	3,307,673	0	-132,836	3,174,837	7,181,008	7,065,025	7,491,836	7,370,545
New Brunswick	3.37%	626,122	0	626,122	0	-25,073	601,049	891,549	883,139	914,088	905,293
Nova Scotia	1.50%	277,906	2,037	279,942	0	-11,108	268,835	498,467	491,819	516,283	509,331
Total	100.000%	\$18,585,355	\$100,000	\$18,685,355	-\$189,201	-\$735,720	\$17,760,435	\$30,781,636	\$30,110,136	\$31,777,235	\$31,088,735

¹ Any sub-regional reliability assessment costs in response to U.S. only regulatory initiatives will be considered for allocation to U.S. only BAAs consistent with NERC Rules of Procedure section 1102.

² Consistent with NERC's Policy on Allocation of Certain Compliance and Enforcement Costs, the NPCC Board approved Allocation Methodologies for Certain NPCC Compliance Program Area Costs Assessed to Non-U.S. Entities.

³ Total CORC Program Costs are allocated based on a seven-year average allocation percentage. CORC Program Fundamentals expenses are allocated each year using the Regional NEL based methodology. Audit and Investigation expenses attributable to Canadian NPCC BAA's are allocated annually utilizing an audit based methodology. The portion attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a. and C-1a. Audit based allocation uses Compliance Registry Data registrants as of May 1, 2026. Mitigation and Enforcement expenses are allocated annually utilizing an enforcement activity based methodology for Canadian NPCC BAA's. The portion attributable to U.S. NPCC is allocated between the New York and New England balancing authority areas based on their respective net energy for load (NEL) as shown in Columns B-1a. and C-1a. The average allocation of total compliance costs over the prior seven years is then applied to the total compliance program costs for the current budget year in order to mitigate fluctuations in assessments.

⁴ Align/SEL related costs are allocated only to BAA's using the Align/SEL tools as of May 1, 2026.

Regional Entity Program Goals and Statements of Activities

Reliability Standards Program

Program Scope and Functional Description

The NPCC Reliability Standards Program Area supports the NERC Reliability Standards Program and aids in the development of NPCC Regional Reliability Standards, and NPCC regional Variances to NERC Reliability Standards.

The NPCC Reliability Standards Program conducts a five-year review of the NPCC Regional Reliability Standard (PRC-006-NPCC) and the FERC approved Regional Standard Process Manual (RSPM). These reviews may result in revisions to the Standard, retirement of the Standard, or a finding that no changes are required.

NPCC supports the development of NPCC regional Variances to NERC Reliability Standards when it is necessary to address NPCC regionally-specific physical differences in the BPS or a NPCC northeastern North American specific reliability issue.

2027 Key Assumptions

- NPCC expects the overall volume of NERC Reliability Standard development projects to increase with the anticipated changes in the areas of cold weather operations, cyber security, supply chain, data gathering for example - risk management for third-party cloud services, large loads, modeling of inverter-based resources (IBR), and other emerging risks.
- NPCC expects the standard development process to change based on NERC's establishment of the Modernization of Standards Processes and Procedures Task Force.
- NPCC's Regional Reliability Standards development activity is expected to remain at a stable level, driven by requests that the Regional Entity will receive or reliability issues that are identified and not under consideration by NERC. These include periodic review of NPCC's Regional Standard PRC-006-NPCC, Variances to NERC Reliability Standards to address reliability concerns or to recognize the unique topology and reliability considerations of the Northeast (i.e., Québec's recognition as an asynchronous interconnection within NPCC's footprint).

2027 Goals and Key Deliverables

- Participate in the annual development and revision of the NERC's three-year Reliability Standards Development Plan (RSDP) through review, commenting, and other Reliability Standards Committee (RSC) activities.
- Participate in the NERC Standards Committee activities, as a representative for NPCC Regional stakeholders to advance strategic initiatives, to measure the effectiveness and quality of standards, support ERO efforts to address outstanding FERC Directives, and provide input in the prioritization of standards development projects.
- Conduct thorough reviews of all NERC standards under development or revision by leveraging existing NPCC Task Forces and subject matter experts and coordinate NPCC comments for Northeastern North America.
- Review and identify issues and concerns raised in FERC Notice of Proposed Rulemakings (NOPRs) and Notice of Inquiries (NOIs) for all standards related issues as appropriate.
- Actively monitor the activities of the Reliability and Security Technical Committee (RSTC) and the development of Standard Authorization Requests (SARs) to address emerging reliability issues.
- Participate in and provide support to NERC standard development projects, including the Cold Weather standard, Energy Assurance standard, CIP standards, Supply Chain standards, and the development and revision of standards associated with FERC directive 901 to address reliability issues driven by inverter-based resources.
- Conduct reviews of the NPCC Regional Standard as necessitated by the revision and approval of any associated continent-wide NERC reliability standards or further reliability related need.
- Conduct the development of any Québec Interconnection-Wide variances to NERC continent-wide standards using the NPCC Reliability Standards Development Process.
- In conjunction with the Reliability Coordinating Committee (RCC), review any DER/VER impacts identified by stakeholders and develop an approach to promote awareness and resolution of any issues.
- Identify opportunities and processes for cost effectiveness analysis activities to determine the need to revise a standard during the Enhanced Periodic Review or Standards Grading activities.
- Provide guidance and outreach on approved NERC Reliability Standards and Regional Standards.

The Statement of Activities for this program area is shown below. See [Reliability Standards Major Budget Drivers](#) for explanation of significant variances.

Reliability Standards Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget

Reliability Standards

	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 1,286,009	\$ 1,249,865	\$ (36,144)	
Penalty Sanctions	22,639	11,231	(11,407)	
Total ERO Funding	\$ 1,308,647	\$ 1,261,096	\$ (47,551)	-4%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 1,308,647	\$ 1,261,096	\$ (47,551)	-4%
Expenses				
Personnel Expenses				
Salaries	\$ 540,557	\$ 492,907	\$ (47,649)	
Payroll Taxes	42,623	41,251	(1,372)	
Benefits	173,499	204,733	31,234	
Retirement Costs	56,772	54,464	(2,308)	
Total Personnel Expenses	\$ 813,451	\$ 793,355	\$ (20,095)	-2%
Meeting Expenses				
Meetings & Conference Calls	\$ 4,100	\$ 7,000	\$ 2,900	
Travel	45,288	35,498	(9,790)	
Total Meeting Expenses	\$ 49,388	\$ 42,498	\$ (6,890)	-14%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 15,000	\$ -	\$ (15,000)	
Office Rent	-	-	-	
Office Costs	3,000	2,500	(500)	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 18,000	\$ 2,500	\$ (15,500)	-86%
Total Direct Expenses	\$ 880,838	\$ 838,353	\$ (42,485)	-5%
Indirect Expenses	\$ 422,671	\$ 410,758	\$ (11,913)	-3%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 1,303,509	\$ 1,249,111	\$ (54,398)	-4%
Fixed Asset Additions, excluding Right of Use Assets (C)	5,139	11,985	6,846	133%
TOTAL BUDGET (=B+C)	\$ 1,308,647	\$ 1,261,096	\$ (47,552)	-4%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	2.90	2.60	-0.30	-10%

Compliance Monitoring and Enforcement and Organization Registration and Certification Program

Program Scope and Functional Description

The NPCC Compliance Monitoring and Enforcement and Organization Registration and Certification Program (CORC) Program Area operates in accordance with the NERC Rules of Procedure, the Amended and Restated Delegation Agreement between NPCC and NERC, and individual Canadian Provincial MOUs and/or Agreements. The program supports Compliance Monitoring and Enforcement (Section 400 of the ROP) and Organization Registration and Certification (Section 500 of the ROP). NPCC CORC strives to be a credible authority that is independent, impartial, and objective, while promoting a culture of reliability excellence.

The CORC Program Area scope includes:

- Identification, registration, and certification of entities that are required to comply with the NERC Reliability Standards and NPCC Regional Reliability Standards.
- Implementation of the NERC Compliance Monitoring and Enforcement Program (CMEP) in the U.S., including the compliance monitoring, mitigation assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in the U.S.
- Pursuant to the relevant MOUs, the implementation of compliance monitoring and enforcement activities in Nova Scotia and Ontario, including the assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in those jurisdictions.
- Implementation of the Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP), including the compliance monitoring, assessment and enforcement of NERC Reliability Standards and Regional Reliability Standards effective in Québec.
- Implementation of the New Brunswick Compliance Monitoring and Enforcement Program (NBCMEP) in New Brunswick, including the compliance monitoring, assessment and enforcement recommendations of the NERC Reliability Standards and Regional Reliability Standards effective in New Brunswick.

The CORC Program Area scope is sub-divided into three sub-program areas: Compliance Fundamentals (CF); Compliance Audits and Investigations (CAI); and Compliance Mitigation and Enforcement (CME).

Compliance Fundamentals (CF)

The CF sub-program area is responsible for registration, certification, entity inherent risk assessments, and compliance oversight plan activities, in addition to general compliance activities that may span across sub-program areas.

- Collaborates across the ERO through participation in the Risk Performance and Monitoring Group (RPMG), Organization Registration and Certification Group (ORCG), and the development of the annual ERO CMEP staff workshop.
- Identifies and registers the BES owners, operators, and users that are required to comply with the NERC and Regional Reliability Standards.
- Conducts the Certifications and Certification Reviews in accordance with the NERC Rules of Procedure.
- Leads or assists with the development of the annual CMEP implementation plans (ERO Enterprise, New Brunswick, Québec).
- Implements the ERO Enterprise registration tool, Centralized Organization Registration ERO System (CORES); and the ERO Enterprise CMEP data application, Align.
- Responds to any complaints submitted to NPCC.
- Maintains any NPCC specific compliance tools or programs needed.
- Performs outreach, sends relevant communications, and conducts stakeholder compliance conferences on an annual basis.
- Assesses compliance trends.
- Conducts outreach, training, and education to support Reliability Standards implementation.
- Conducts Inherent Risk Assessments (IRAs) on registered entities.
- Develops Compliance Oversight Plans (COPs) for registered entities.

Compliance Audits and Investigations (CAI)

The CAI sub-program area is responsible for conducting all risk-based compliance monitoring activities.

- Conducts NPCC compliance monitoring activities, including audits, spot checks, and self-certifications.
- Incorporates the results of entity IRA, COP, and performance data into its compliance monitoring process.
- Assesses the maturity of the entity's internal controls and sustainability of the entity processes during compliance engagements.
- Engages the entity on the maturity of their internal compliance program.
- Issues audit reports, spot check reports, and self-certification result letters.
- Implements and maintains the Critical Infrastructure Protection (CIP) Standards Technical Feasibility Exceptions process.

- Maintains the Periodic Data Submittal (PDS) process and reviews submittals.
- Performs outreach, sends relevant communications, and conducts stakeholder compliance conferences on an annual basis.
- Collaborates across the ERO through participation in the Risk Performance and Monitoring Group (RPMG), Operations and Planning Compliance Task Force (OPCTF), CIP Compliance Task Force (CCTF), Manual Task Force (MTF), and the development of the annual ERO CMEP staff workshop.
- Implements the ERO Enterprise CMEP data application, Align.

Compliance Mitigation and Enforcement (CME)

The CME sub-program area is responsible for enforcement activities in accordance with risk-based approaches and conducting technical assessments of registered entities' plans and activities to mitigate noncompliance. Depending on the jurisdiction, CME either makes official recommendations to the appropriate regulatory authority or assists and coordinates with NERC to make such official recommendations.

- Determines the relevant facts and circumstances necessary to assess each noncompliance.
- Evaluates and assigns a risk level to each noncompliance.
- Advises on the mitigation required to prevent recurrence of the issue.
- Evaluates and approves the mitigation activities or Mitigation Plan(s) for each noncompliance.
- Assesses the relevant compliance history for each noncompliance.
- Determines the disposition method for each noncompliance.
- Conducts settlement negotiations.
- Calculates penalty and non-penalty sanctions in a consistent manner.
- Files noncompliance closings with NERC/FERC and applicable Canadian governmental and/or provincial Regulatory authorities.
- Evaluates registered entities for participation in the Self-Logging Program.
- Performs outreach and conducts stakeholder compliance conferences on an annual basis.
- Collaborates across the ERO through participation in the Enforcement Group (EG) and the development of the annual ERO CMEP staff workshop.

2027 Key Assumptions

- The volume of registrations will increase based on the changing resource mix and modification to the registration criteria to include non-BES Inverter Based Resources.
- The number of Certifications has increased and will remain elevated as many entities are upgrading or building new Control Centers and building new Energy Management Systems.

- The number of incoming noncompliances will increase due to new registered entities, new standards, and new facilities.

2027 Goals and Key Deliverables

- Conduct scheduled compliance monitoring and enforcement activities pursuant to the 2027 Implementation Plans.
- Continue applying risk-based approaches for CMEP, registration, and certification activities.
- Identify potential issues related to NERC Reliability Standards and Regional Reliability Standards as a result of compliance monitoring, enforcement, and event analysis activities.
- Continue to implement compliance responsibilities in Canada based on the unique regulatory structure specific to each provincial and/or governmental jurisdiction.
- Evaluate and enhance monitoring, violation processing, risk-assessment, registration and certification program for sufficiency and effectiveness.
- Collaborate within the ERO Enterprise to continue to implement and update Align and the Secure Evidence Locker (SEL).
- Provide education and outreach to the registered entities on all CMEP, registration, and certification topics, including the development and implementation of the ERO Enterprise Registration tool, CORES, and the Align/SEL CMEP data application.
- Conduct one in-person compliance workshop and virtual compliance webinars.
- Develop annual activity reports for CMEP (New Brunswick) and QCMEP (Québec).
- Develop and/or provide input on various 2027 CMEP Implementation Plans (ERO Enterprise, Québec, New Brunswick).
- Remain updated on industry trends and attend training necessary and/or beneficial to performing duties (Registration, Certification, Entity Risk Assessment, assessment of internal controls, Monitoring, and Enforcement activities).
- Continue to perform and update IRAs and COPs for registered entities as needed.
- Continue to assess and document internal controls during monitoring engagements.
- Conduct 2027 compliance engagement schedule based on budget, risk to the BPS, and number of registered entities.
- Continue to perform comprehensive enforcement activities to determine the relevant facts and circumstances necessary for each noncompliance, assess the risk, and evaluate the mitigation activities or Mitigation Plan. Determine the disposition method in accordance with established risk-based approaches (Compliance Exceptions, Find, Fix, Track, and Reports (FFTs), Simplified Identification Correction Method (Québec), Settlements, etc.).

- Track the progress and verify the completion of each Mitigation Plan.
- As necessary, represent NPCC during any enforcement hearings before the NPCC Hearing Body, the NERC Hearing Body, the Régie, or the New Brunswick Energy & Utilities Board.
- Provide responses to oversight activities performed by NERC, FERC, and other relevant authorities.
- Analyze noncompliance trends and associated risks to develop guidance to registered entities in support of a culture of reliability.
- Perform outreach (e.g., webinars, conferences) to educate entities on determining noncompliance root causes, techniques for noncompliance assessment, communications associated with self-reporting, and guidance on the development of mitigation activities that will prevent recurrence.

The Statement of Activities for this program area is shown below. See [Compliance Monitoring and Enforcement and Organization Registration and Certification Program Major Budget Drivers](#) for explanation of significant variances.

Compliance Monitoring and Enforcement Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget Compliance Monitoring and Enforcement and Organization Registration and Certification

	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 15,804,195	\$ 17,760,435	\$ 1,956,239	
Penalty Sanctions	325,527	189,201	(136,326)	
Total ERO Funding	\$ 16,129,722	\$ 17,949,635	\$ 1,819,913	11%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 16,129,722	\$ 17,949,635	\$ 1,819,913	11%
Expenses				
Personnel Expenses				
Salaries	\$ 7,155,584	\$ 7,382,881	\$ 227,297	
Payroll Taxes	565,173	627,390	62,217	
Benefits	1,821,975	2,186,917	364,941	
Retirement Costs	743,767	799,427	55,660	
Total Personnel Expenses	\$ 10,286,500	\$ 10,996,615	\$ 710,115	7%
Meeting Expenses				
Meetings & Conference Calls	\$ 13,000	\$ 14,000	\$ 1,000	
Travel	431,438	408,600	(22,838)	
Total Meeting Expenses	\$ 444,438	\$ 422,600	\$ (21,838)	-5%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	38,000	144,550	106,550	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 38,000	\$ 144,550	\$ 106,550	280%
Total Direct Expenses	\$ 10,768,937	\$ 11,563,765	\$ 794,827	7%
Indirect Expenses	\$ 6,077,712	\$ 6,919,692	\$ 841,980	14%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 16,846,649	\$ 18,483,457	\$ 1,636,808	10%
Change in Net Assets (=A-B)	\$ (716,927)	\$ (533,822)	\$ 183,106	-26%
Fixed Asset Additions, excluding Right of Use Assets (C)	73,888	201,898	128,010	173%
TOTAL BUDGET (=B+C)	\$ 16,920,537	\$ 18,685,355	\$ 1,764,818	10%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (790,815)	\$ (735,720)	\$ 55,095	-7%
FTES	41.70	43.80	2.10	5%

Reliability Assessment and Performance Analysis Program

Program Scope and Functional Description

The NPCC Reliability Assessments and Performance Analysis (RAPA) Program Area activities are performed in accordance with NERC Rules of Procedure Section 800, applicable sub-sections of both Sections 1200 and 1600, and NPCC regional requirements. The NPCC RAPA program, in conjunction with the ERO Enterprise, supports the review of the continent-wide and Eastern Interconnection reliability and adequacy of the BPS. The NPCC RAPA activities that have primary relevance to the northeast are the NPCC independent analyses, assessments and studies of the reliability and adequacy of the BPS within the NPCC footprint.

The program aides in the identification and assessment of risks across the region. The NPCC RAPA program activities are supported by collaboration with its members and stakeholders and include model building; identification of study assumptions; the performance of resource and transmission assessments; special analyses and investigations; and the collection and dissemination of data, lessons learned, and other information. The RAPA program provides resources, case studies and data input for the technical analyses, and support of the many risk-based activities. The program also facilitates five technical stakeholder task forces and associated working groups.

2027 Key Assumptions

The RAPA program concentrates on the four key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy, the strategic reliability focus areas identified within the NPCC Long-Term Strategy, and the Reliability Coordinating Committee Work Plan for calendar year 2026 - 2027.

Additionally, NPCC acts collectively and collaboratively through the Eastern Interconnection Reliability Assessment Group (ERAG) to focus on the reliability assessments of the Eastern Interconnection to identify and address potential reliability issues.

2027 Goals and Key Deliverables

- Assessments of Reliability Performance
 - Load, Capacity, Energy, Fuels & Transmission Report (LCEF&T Report): Represent data submitted by NPCC to NERC as part of the annual EIA-411 filing. U.S. data is forwarded by NERC to the U.S. Energy Information Administration (EIA). Data for planned generating unit additions and changes is considered confidential information by the EIA, NERC and NPCC. This report presents actual and ten-year projections for load, capacity, energy,

fuel, transmission line construction and transformer additions in the NPCC footprint.

- NPCC Summer Reliability Assessment: Focuses on the assessment of reliability within the NPCC footprint for the Summer Operating Period.
- NPCC Winter Reliability Assessment: Focuses on the assessment of reliability within the NPCC footprint for the Winter Operating Period.
- NPCC Annual and Seasonal Interconnection Assistance Reliability Benefits (Tie Benefits) Report: Verifies that the current levels of interconnection benefits assumed in each Area's resource adequacy studies are reasonable and do not overstate the amount of interconnection assistance available for the applicable time periods.
- NPCC Review of Resource Adequacy: Review for each NPCC Area in accordance with the requirements specified in the NPCC Regional Reliability Reference Directory No. 1, Design and Operation of the BPS.
- NPCC Probabilistic Assessment: Provides the NPCC probabilistic reliability metric results specified by NERC for the corresponding LTRA.
- Collect NPCC data and contribute to the production of assessment reports for the NERC long-term, seasonal, and special assessments.
- Provide NPCC regionally-specific technical support for the ERO Enterprise expanded and enhanced system studies and analyses, as needed.
- Collaborate through ERAG in performance of Eastern Interconnection assessment studies and the Interconnection-wide Energy Assessment.
- Update of power-flow and dynamic base cases that represent the BPS within the NPCC footprint for the ERAG Multiregional Modeling Working Group (MMWG).
- Contribute to the facilitation of the ERAG Acceptable Model Working Group (AMWG) and maintenance of an acceptable model list for the Eastern Interconnection dynamic base cases.
- Perform special assessments or studies identified by the NERC Modeling and Studies Team (MAST) and approved (e.g., by the ERO RAPA-SG) to ensure the reliable operation of the Bulk Power System (BPS).

- Data Requirements

- Collect, and validate NPCC regionally-specific data for the Transmission Availability Data System (TADS), Generator Availability Data System (GADS - Conventional, Wind, and Solar), Misoperation Information Data Analysis System (MIDAS), and Geomagnetic Disturbance Data System (GMD).
- Perform data analytics to prepare and review the data to identify trends and patterns which support informed decision-making to improve reliability of the Bulk Power System (BPS).

- Other Requirements and Activities
 - Support risk-based activities with the development and review of lessons learned, best practices, and guidance documentation across the ERO Enterprise and industry.
 - Facilitate a peer review process to analyze protective relay misoperation information and track corrective action plans, as reported in the NERC MIDAS system, via the NPCC SP-7 Working Group on Protection Systems Misoperation Review.
 - NPCC actively participates in NERC committees, subcommittees, task forces, and other technical groups, such as the ERO Reliability Assessment and Performance Analysis Steering Group, Inverter-Based Resource Performance Subcommittee, Reliability Assessment Subcommittee, System Planning Impacts from DER Working Group, Electric Gas Working Group, Energy Reliability Assessment Working Group, Performance Analysis Subcommittee, Probabilistic Assessment Working Group, ERO Analytical Community of Excellence (ERO ACE) and associated subgroups including the MIDAS User Group, TADS User Group, and GADS User Group.
 - Continue to support stakeholder participation and interaction through various NPCC technical groups, including the RCC, Task Force on Coordination of Operations, Task Force on Coordination of Planning, Task Force on Infrastructure Security & Technology, Task Force on System Protection, Task Force on System Studies and the associated working groups and sub-teams.
 - Work in collaboration with the industry and governmental organization such as the U.S. Department of Energy (DOE), National Laboratories, Institute of Electrical and Electronics Engineers (IEEE), Electric Power Research Institute (EPRI), Energy Systems Integration Group (ESIG) and Conseil International des Grands Réseaux Electriques (CIGRE).

The Statement of Activities for this program area is shown below. See [Reliability Assessment and Performance Analysis Major Budget Drivers](#) for explanation of significant variances.

Reliability Assessment and Performance Analysis Program Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget

Reliability Assessment and Performance Analysis

	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 5,738,709	\$ 6,747,788	\$ 1,009,079	
Penalty Sanctions	85,870	56,156	(29,715)	
Total ERO Funding	\$ 5,824,579	\$ 6,803,943	\$ 979,364	17%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 5,824,579	\$ 6,803,943	\$ 979,364	17%
Expenses				
Personnel Expenses				
Salaries	\$ 2,018,108	\$ 2,264,285	\$ 246,177	
Payroll Taxes	153,541	182,328	28,786	
Benefits	504,314	635,858	131,544	
Retirement Costs	202,671	232,809	30,137	
Total Personnel Expenses	\$ 2,878,635	\$ 3,315,279	\$ 436,644	15%
Meeting Expenses				
Meetings & Conference Calls	\$ 74,340	\$ 88,250	\$ 13,910	
Travel	304,500	312,700	8,200	
Total Meeting Expenses	\$ 378,840	\$ 400,950	\$ 22,110	6%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 928,000	\$ 960,000	\$ 32,000	
Office Rent	-	-	-	
Office Costs	16,380	14,000	(2,380)	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 944,380	\$ 974,000	\$ 29,620	3%
Total Direct Expenses	\$ 4,201,855	\$ 4,690,229	\$ 488,374	12%
Indirect Expenses	\$ 1,603,233	\$ 2,053,790	\$ 450,557	28%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 5,805,088	\$ 6,744,019	\$ 938,931	16%
Change in Net Assets (=A-B)	\$ 19,491	\$ 59,924	\$ 40,433	207%
Fixed Asset Additions, excluding Right of Use Assets (C)	19,491	59,924	40,433	207%
TOTAL BUDGET (=B+C)	\$ 5,824,579	\$ 6,803,943	\$ 979,364	17%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	11.00	13.00	2.00	18%

Training and Education Program

Program Scope and Functional Description

The NPCC Training and Education (TE) Program Area supports NERC Rules of Procedure Section 900 and other training, education, outreach and public information activities. The program provides:

- Education and training necessary to understand and operate the BPS.
- Outreach, education, and training on Reliability Standards, security related risks and issues, compliance topics and improvement of compliance and reliability assurance programs.
- Coordination and dissemination of public information to support transparency, reliability oversight, and effective communication with industry stakeholders, regulators, media, and the ERO Enterprise.

The TE program establishes and coordinates training for system operators relating to inter-Reliability Coordinator area matters, criteria, terminology, standards and operating procedures and instructions. The target audience of the System Operator training program is BPS operating personnel, including system operations personnel, operations support personnel (engineering and information technology), supervisors and managers, and training personnel.

In 2027, alongside the semiannual System Operators (SO) seminars, NPCC will host a hybrid Compliance and Reliability conference for its stakeholders. This conference aims to provide the latest and most relevant information on the development of NERC and Regional Reliability Standards and the implementation of the CMEP. The event will feature targeted breakout sessions and presentations on current industry activities, ensuring efficient information exchange between NPCC Compliance and Standards staff and stakeholders.

In collaboration with the NPCC Task Force on Infrastructure Security & Technology (TFIST) and its working groups, including NPCC Physical Security working group, NPCC will coordinate and hold an annual Cyber and Physical Security Workshop to address latest cyber and physical security topics, issues and trends and update NPCC entities associated with infrastructure security and technology.

To supplement the SO seminars, Cyber and Physical Security Workshop, and Compliance and Standards workshops, NPCC may develop webinars on specific topics pertinent to issues related to system operations, compliance program implementation, standards development, cyber or physical security threats and mitigation practices or technical issues.

The TE Program also encompasses NPCC's public information, external affairs activities and NPCC staff support and participation in the ERO Enterprise and NERC training, outreach, reliability and security engagements.

Further, in alignment with NPCC's Long-Term Strategy as a credible and unbiased advisor to stakeholders, the TE program will continue outreach to address emerging energy-related matters. NPCC will conduct Reliability Forms to advance regional coordination on the integration of new and evolving technologies and will strengthen engagement with State, Provincial, and Federal Regulators by providing transparent briefings on NPCC and NERC Reliability Assessments and the changing energy landscape. These strategic education and outreach activities will enhance stakeholder understanding of reliability risks.

NPCC staff training, and development is incorporated within each respective program area.

2027 Key Assumptions

The TE Program concentrates on the four key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy and the strategic reliability focus areas identified within the NPCC Long-Term Strategy.

- Build appropriate outreach, training, and education to registered entities through NERC and the Regional Entities to reduce the occurrence of known risks to reliability.
- Nurture relationships with key industry trade associations, as well as those associations representing technology, affiliated sectors, and end users to understand context and leverage their experience and reach.
- Collaborate effectively with other organizations that share the ERO Enterprise's reliability and security mission and seek and work with representatives of academia, other critical infrastructures, and international experts to broaden the ERO Enterprise's collective knowledge and awareness of current and unknown risks and strategies to address them.
- Provide the Regional perspective and support with appropriate NPCC Training and Education staff participation on selected NERC groups, including any future ERO Enterprise human performance engagements, as determined by RAPA Steering Group.
- Conduct ongoing Reliability Forum activities to collaborate with industry stakeholders and identify both opportunities and challenges for enhancing reliability through education, and guidance, particularly for the interconnection of utility scale Distributed Energy Resources (DER) on the Distribution System and Variable Energy Resources (VER) facilities on the transmission system.
- Collaborate through outreach with State and Provincial regulatory staff to identify areas where NPCC can support local policy.
- Support industry outreach activities, including anticipated sessions with State and Provincial Regulators and multiple Reliability Forums.

2027 Goals and Key Deliverables

Stakeholder Training and Education 2027 Goals and Key Deliverables

- Conduct the 2027 Spring and Fall NPCC SO seminars.
- Continue to collaborate and share lessons learned among training staff from the NPCC RCs and utilize lessons learned to make training program enhancements.
- As needed, enhance the NPCC repository of training resources and learning verification activities addressing fundamental power system topics, training methods and operation procedure training exercises, which may be shared as elements of operator training in compliance with NERC Standards PER-003 “Operating Personnel Credentials” and PER-005 “Operations Personnel Training”.
- Develop virtual operational training webinars that focus on specific topics pertinent to compliance program implementation, standards development, or technical issues.
- Conduct one hybrid format Compliance and Reliability conference addressing the development of NERC and Regional Reliability Standards and CMEP implementation.
- Conduct the annual NPCC Cyber and Physical Security Workshop.
- Monitor and support activities of the Personnel Certification Governance Committee and associated sub-groups and collaborate with the NPCC CO-2 Operations Training WG and other NPCC Members’ training personnel on the activities related to the reliable operation of the BPS.
- Conduct 3 Reliability Forums focused on emerging technologies and evolving reliability risks.
- Host targeted outreach sessions with State, Provincial, and Federal Regulators to share insights from NPCC and NERC Reliability Assessments.

External Affairs 2027 Goals and Key Deliverables

- The objective of the NPCC Public Information Committee is to disseminate and coordinate the appropriate release of information to the media, respond to related requests for information, and to coordinate public information activities with the NPCC Region, ERO Enterprise, and NERC media relations. Anticipated activities include, but are not limited to:
 - Media releases for NPCC Reliability Assessments.
 - Preparing other NPCC media releases and statements as needed.
 - Responding to media inquiries (and coordinating responses).
 - Participating in the ERO Communications Group’s 2027 Work Plan activities, including:
 - Information sharing/education of key audiences/stakeholders to further the ERO Enterprise’s mission.
 - Coordination/planning for outreach communications and media relations.

- Consistent/coordinated outreach to support public and regulatory confidence of ERO Enterprise and its activities.
- Coordination with the ERO Enterprise Crisis Action Plan related media activities.
- Periodic update of NPCC's Emergency Communications Plan (A Guide for Media Communications During Emergencies).
- Media Planning associated with NERC's Grid Security Exercise (GridEx VIII).

The Statement of Activities for this program area is shown below. See [Training, Education, and Operator Certification Program Major Budget Drivers](#) for explanation of significant variances.

Training and Education Program Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget				
Training and Education				
	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 382,661	\$ 1,008,443	\$ 625,781	
Penalty Sanctions	4,294	4,968	674	
Total ERO Funding	\$ 386,955	\$ 1,013,410	\$ 626,456	162%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	48,500	48,500	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 435,455	\$ 1,061,910	\$ 626,456	144%
Expenses				
Personnel Expenses				
Salaries	\$ 135,459	\$ 441,117	\$ 305,658	
Payroll Taxes	8,904	23,032	14,128	
Benefits	28,704	106,173	77,469	
Retirement Costs	14,331	44,156	29,824	
Total Personnel Expenses	\$ 187,399	\$ 614,478	\$ 427,079	228%
Meeting Expenses				
Meetings & Conference Calls	\$ 153,350	\$ 172,100	\$ 18,750	
Travel	13,370	86,550	73,180	
Total Meeting Expenses	\$ 166,720	\$ 258,650	\$ 91,930	55%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ -	\$ -	\$ -	
Office Rent	-	-	-	
Office Costs	200	1,800	1,600	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 200	\$ 1,800	\$ 1,600	800%
Total Direct Expenses	\$ 354,319	\$ 874,928	\$ 520,609	147%
Indirect Expenses	\$ 80,162	\$ 181,681	\$ 101,519	127%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 434,480	\$ 1,056,609	\$ 622,129	143%
Change in Net Assets (=A-B)	\$ 975	\$ 5,301	\$ 4,327	444%
Fixed Asset Additions, excluding Right of Use Assets (C)	975	5,301	4,326	444%
TOTAL BUDGET (=B+C)	\$ 435,455	\$ 1,061,910	\$ 626,455	144%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	0.55	1.15	0.60	109%

Situation Awareness and Infrastructure Security Program

Program Scope and Functional Description

The Situation Awareness and Infrastructure Security (SAIS) Program Area activities are performed in accordance with the NERC Rules of Procedure Section 1000 and applicable sub-sections of Section 800. The SAIS program is a combination of near real-time awareness of conditions on the BPS with the programs necessary to increase the physical and cyber security of the electricity infrastructure, including the operation and maintenance of tools and other support services for the benefit of Reliability Coordinators (RCs) and the system operators within the registered entities. When an event does occur, it is critical to provide a forum for active coordination of reliability and operation among the NPCC RC areas and neighboring NERC Regions. Further, NPCC's role is to gain and maintain situation awareness and understanding of system issues when they emerge and coordinate with relevant parties (typically NERC and FERC) about the conditions of the BPS and to use an event as a learning opportunity to enhance the reliability, resilience, and security of the interconnected BPS through the lessons learned, which can be gleaned from such an event.

NPCC's Event Analysis Program resides within the SAIS Program Area and supports the overall goal of promoting the reliability of the BPS in Northeastern North America and the entire North American grid.

NPCC's critical infrastructure security objectives are defined within the scope of the NPCC Task Force on Infrastructure Security & Technology (TFIST) and its Working Groups, and include, but are not limited to:

- Providing a forum for NPCC review of proposed and posted documents from the NERC Reliability and Security Technical Committee (RSTC) and its subgroups.
- Representing NPCC's position in the activities of NERC groups involved in the development and/or implementation of physical and cyber security.

NPCC's Security Outreach program will support ERO Enterprise, and E-ISAC activities aimed at addressing known and emerging security (both cyber and physical) risks to strengthen and enhance industry security posture through active participation and engagement in the ERO Enterprise, E-ISAC and industry activities, in partnership with government and law enforcement agencies.

2027 Key Assumptions

The SAIS program concentrates on the activities that support key value drivers and long-term focus areas set forth in the ERO Enterprise Long-Term Strategy, the strategic reliability focus areas identified within the NPCC Long-Term Strategy, and the Reliability Coordinating Committee Work Plan for calendar year 2026 - 2027.

- Use the full suite of tools, activities, and resources for risk mitigation to provide guidance to industry as to how to mitigate emerging risks, evaluating the effectiveness of such approaches.
- Maintain situational awareness of operations within the region and support NERC and FERC's efforts for situation awareness of near real-time system conditions.
- Continue to promote, implement, and manage ERO Event Analysis Process (EAP) and Cause Coding process as part of the ERO Event Analysis Program, including collection and review of disturbance reports, review and analysis of applicable events, and development of lessons learned and cause coding of events.
- Collaborate on and support joint activities with FERC and NERC staff and other Regional staff on analysis of known and emerging risks, analysis of major events, and follow-up projects/studies based on the findings and recommendations.
- Strengthen the analysis of cyber impacts on the BPS and mitigate impacts of cyberattacks. Enhance industry's ability to develop approaches to pre-position the system when under attack and explore recovery strategies.
- Leverage information and cross-sector collaboration with other critical infrastructures that share elements of the ERO Enterprise's reliability and security mission to facilitate cross-sector information sharing and threat analysis to broaden the ERO Enterprise's collective knowledge and awareness of current and emerging risks and strategies to address them and communicate these to industry for awareness and mitigation.
- Build/enhance appropriate outreach, training, and education to registered entities through NERC and the Regional Entities to reduce the occurrence of known risks to reliability.
- Ensure the E-ISAC Long-Term Strategic Plan is executed such that the E-ISAC is viewed by industry as meeting its needs as one of its key trusted sources of security information.
- Strengthen proactive outreach, communications, relationships, and intelligence sharing with key regulatory, legislative, and policy bodies, as well as government agencies across North America (U.S. and Canada).
- Nurture relationships with key industry trade associations, as well as those associations representing technology, affiliated sectors, and end users to understand context and leverage their experience and reach.

- Collaborate with technical stakeholder groups to support development of recommendations and risk mitigating activities based on events and identified reliability and security risks.
- Support GridEx-related planning and distributed play activities, and ERO Enterprise follow up actions to enhance Enterprise' emergency response coordination and processes.
- Provide Regional perspective and support through active participation in appropriate NERC and ERO groups and activities.
- Support ERO Enterprise efforts on the development of the tools and capabilities in collaboration with the industry, to improve situation awareness and response and recovery coordination.
- Support NPCC and ERO Enterprise communications activities, including ERO Communications Group (EROCG) and implementation of NPCC Emergency Communications Plan and NERC Crisis Action Plan.
- Support and collaborate with other NPCC program areas initiatives related to the SAIS program area activities.

2027 Goals and Key Deliverables

Situation Awareness 2027 Goals and Key Deliverables

- Monitor the operational status of the BPS and coordinate normal and pre-emergency communication, awareness, and assistance in addition to the same during an emergency among the RCs within the NPCC footprint.
- Prepare daily reports and conduct daily and weekly conference calls with NPCC and neighboring RCs (MISO and PJM) to serve as a complement to the NPCC Emergency Preparedness Conference Call.
- Coordination and communication with the NERC Bulk Power System Awareness group in preparation for and during ongoing significant events in the NPCC footprint.
- Monitor the status of the BPS through the NERC Situational Awareness-FERC, NERC, Region's version 3 (SAFNrv3) tool and support efforts and work to develop and enhance the use of SAFNR and other tools to further support NPCC and ERO SA.
- Coordinate inter-regional pre-emergency actions in the event of a threat to the security of the Northeastern North American bulk power supply system.
 - Review and implementation of applicable recommendations and lessons learned from the prior planning and distributed play activities in preparation for and participation in the GridEx IV wide-area exercise.
- Participation in the ERO Enterprise-wide SA and EA activities, including NERC SA and EA Oversight Plan specified goals and deliverables in support of the activities to identify, prioritize, and assure effective and efficient mitigation of risk to the reliability and security of the North American BPS, including such activities as:
 - NERC Bulk Power Situational Awareness calls.

- Participation in the ERO Enterprise Crisis Action Plan (CAP) tabletop exercises and enhancements to the CAP processes.
 - Participation in the ERO Enterprise CAP activations.
- Support implementation and activities of NPCC's Emergency Communications Plan.
 - Provide the Regional perspective through NPCC staff support of the NERC Reliability and Security Technical Committee and participation on the key related NERC Subcommittees, Task Forces and Working Groups, including the Event Analysis Subcommittee and the ERO EA and SA Collaboration Groups.
- Participate in and support, as appropriate, periodic ERO Enterprise SA activities (e.g., GridEx, Monitoring and Situation Awareness Workshop, BES Operating Agility Workshop, NERC Alerts, Natural Gas Collaboration Group, etc.).
- Continue to promote, implement, and manage ERO Event Analysis Process (EAP) and Cause Coding process as part of the ERO Event Analysis Program, including collection and review of disturbance reports, review and analysis of applicable, qualifying events, development of lessons learned and cause coding of events.
- Work directly with applicable NPCC Task Forces and Working Groups to provide an assessment of system events, findings and recommendations and Lessons Learned for Regionally-specific insights and actions, as applicable.
- Support NPCC and ERO Enterprise studies and activities pertaining to gas-electric interdependencies, as well as other interdependent critical infrastructure sectors' risks.

Infrastructure Security 2027 Goals and Deliverables

- Continue to enhance NPCC situation awareness monitoring capabilities in the cyber and physical security threat space through NPCC social media and web monitoring program to proactively identify and address emerging cyber and physical security threats within northeastern North America.
- Provide physical and cyber security outreach and education services to registered entities.
- Monitor the Homeland Security Information Network (HSIN), E-ISAC, NERC Alerts, Canadian Information Sharing and North American Transmission Forum and share information with appropriate asset owners/operators.
- Remain current on relevant governmental agencies and Standards organizations applicable security recommendations and requirements, and other applicable security and reliability recommendations, and ensure the RCC and its committees are appropriately informed.
- Provide support and technical input for TFIST and associated Working Groups related to the BPS risks as identified by the NERC Reliability Issues Steering Committee; support, discuss and coordinate activities and approaches identified in the recommendations for mitigating security risks.

- Support NERC GridEx planning and distributed play activities and after-action survey and report development.
- Review infrastructure security and technologies and provide recommendations to the RCC to enhance physical and cyber security in compliance with NERC guidelines/standards.
- Sponsor periodic workshop presentations to address timely issues and update NPCC entities associated with infrastructure security and technology.
- Provide education, awareness, and support for Cross Sector coordination in Entity agreements and response plans with focus upon Telecommunications, Water and Natural Gas, including monitoring and sharing with the E-ISAC.
- Support ERO Enterprise and industry security initiative and enhance coordination and collaboration with the ERO, E-ISAC, other NERC Regions and U.S. and Canadian applicable authorities.
- Support Physical Security Working Group activities aimed at promoting the exchange of information regarding approaches to physical security that will enhance the reliability and resiliency of the BPS and further address any physical security threats that could challenge efficient operation of the BPS. The Physical Security Working Group will also support the TFIST's work on issues related to physical security.
- Through the Telecommunications Working Group, promote and enhance the reliability of the Interconnected Power System in Northeastern North America by assessing adequacy and resilience of organizations' voice communications, and development of recommendations for mitigation of identified risks and sharing of industry best practices.
- Provide a forum for NPCC members, NPCC Task Forces and Working Groups to identify and discuss cyber security issues and practices related to the BPS, including BES cyber security topics that span one or more Task Force or Working Group.

The Statement of Activities for this program area is shown below. [See Situation Awareness and Infrastructure Security Major Budget Drivers](#) for explanation of significant variances.

Situation Awareness and Infrastructure Security Program Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget

Situation Awareness and Infrastructure Security

	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ 3,844,978	\$ 4,384,398	\$ 539,420	
Penalty Sanctions	61,671	38,445	(23,226)	
Total ERO Funding	\$ 3,906,649	\$ 4,422,843	\$ 516,194	13%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	-	-	-	
Total Funding (A)	\$ 3,906,649	\$ 4,422,843	\$ 516,194	13%
Expenses				
Personnel Expenses				
Salaries	\$ 1,616,062	\$ 1,748,582	\$ 132,520	
Payroll Taxes	120,537	138,704	18,167	
Benefits	457,336	567,815	110,479	
Retirement Costs	171,393	181,916	10,523	
Total Personnel Expenses	\$ 2,365,328	\$ 2,637,017	\$ 271,689	11%
Meeting Expenses				
Meetings & Conference Calls	\$ 26,000	\$ 34,000	\$ 8,000	
Travel	203,160	203,645	485	
Total Meeting Expenses	\$ 229,160	\$ 237,645	\$ 8,485	4%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 140,000	\$ 92,000	\$ (48,000)	-34%
Office Rent	-	-	-	
Office Costs	6,750	9,100	2,350	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 146,750	\$ 101,100	\$ (45,650)	-31%
Total Direct Expenses	\$ 2,741,238	\$ 2,975,762	\$ 234,524	9%
Indirect Expenses	\$ 1,151,413	\$ 1,406,056	\$ 254,643	22%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 3,892,651	\$ 4,381,818	\$ 489,167	13%
Change in Net Assets (=A-B)	\$ 13,998	\$ 41,025	\$ 27,027	193%
Fixed Asset Additions, excluding Right of Use Assets (C)	13,998	41,025	27,027	193%
TOTAL BUDGET (=B+C)	\$ 3,906,649	\$ 4,422,843	\$ 516,194	13%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ -	\$ -	\$ -	
FTES	7.90	8.90	1.00	13%

Administrative Services

Program Scope and Functional Description

Administrative Services support the previously identified five program areas:

- Reliability Standards;
- Compliance Monitoring and Enforcement Organization Registration and Certification;
- Training and Education;
- Reliability Assessment and Performance Analysis; and
- Situation Awareness and Infrastructure Security.

Administrative Services:

- General and Administrative;
- Legal and Regulatory;
- Information Technology;
- Human Resources; and
- Finance and Accounting.

Methodology for Allocation of Administrative Services Expenses to Programs

NPCC's total overhead expenses, such as office rent and office costs, will be charged to Administrative Services and then reallocated proportionately to the programs as indirect expenses based on FTE. Where applicable, operating expenses are accounted for within the related program's budget. If an expense cannot be attributed to a specific program, it is included in Administrative Services.

General and Administrative

Program Scope and Functional Description

The NPCC general and administrative function provides executive management of the corporation, enterprise risk management, internal compliance, corporate communications, management of NPCC office, and other administrative support programs.

NPCC total overhead expenses, such as office rent and office costs, will be charged to the Administrative Services Programs and then reallocated proportionately based on FTE to the programs through Indirect Expenses.

2027 Key Assumptions

The 2027 Key Assumptions for the NPCC General and Administrative function are as follows:

- NPCC will emphasize effective execution, efficiency, and transparency with a strong culture of continuous improvement and program readiness.
- NPCC will facilitate reliability-enhancing activities.
- NPCC will continue its outreach and communication with stakeholders to promote effective reduction of risk to the BPS.
- NPCC will evolve its internal compliance and audit activities.
- NPCC will enhance public communications.
- NPCC will continue to manage enterprise risk, and identify emerging risk trends, and mitigation activities, with regular input and collaboration from all program areas.

The General and Administrative Program incorporates the regional specific strategic and operating objectives set forth in the ERO Enterprise Long Term Strategy and the ERO Enterprise Operating Plan. ERO Enterprise strategic and operational objectives are considered in the development and maintenance of the NPCC Long-term Strategy on an annual basis.

2027 Goals and Key Deliverables

The NPCC General and Administrative function will support the following goals:

- Continue high-quality performance of delegated functions while maintaining an appropriate resource requirement.
- Provide pertinent and timely information to stakeholders to improve efficiency of interactions with NPCC staff.
- Manage and interface with NERC Internal Audit to support enterprise-wide internal audit initiatives.
- Evolve internal compliance and third-party risk management activities.

- Enhance public communications to ensure consistency and effectiveness.
- Maintain NPCC's enterprise risk management capabilities by proactively identifying, assessing, and monitoring corporate risks and ensuring effective mitigation strategies are documented, tracked, and updated in the internal risk register.

Monitor compliance with internal operational performance metrics and report key metrics to leadership.

Communications

The Communications sub-program area reinforces the organization's leadership and voice as a trusted energy advisor to support its mission in accordance with NPCC's Long Term Strategy and Strategic Focus Areas.

NPCC's Communication Program is focused on advising stakeholders, fostering collaboration and informing on best practices and regulations when integrating reliable energy approaches in Northeastern North America.

2027 Goals and Key Deliverables:

- Drive consistent messaging in tone, meaning, and impact across all content and implementation channels.
- Review of external communications to ensure visual branding, formatting, tone, terminology, media, and crisis communications steps represent NPCC consistently with one voice.
- Conduct outreach through external media communications and direct stakeholder engagement to highlight opportunities and mitigate threats.
- Development of content calendars, one page fact sheets, and Emergency Communications planning.
- Development of specific Key Performance Indicators based on the ongoing status of projects, as well as emerging challenges and opportunities.

Enterprise Risk Management

The Enterprise Risk Management sub-program area provides a structured, organization-wide approach to identifying, assessing, and managing risks that may impact NPCC's strategic objectives, operational performance, and regulatory responsibilities. Enterprise Risk Management enables leadership to make risk-informed decisions that support reliability, resilience, and organizational effectiveness.

2027 Goals and Key Deliverables:

- Maintain and update the enterprise-wide internal risk register.

- Monitor third-party vendor risks and incorporate findings into NPCC's risk profile.
- Identify emerging corporate risks and assess potential impacts and track process on mitigation activities.
- Conduct internal assessments of key controls and document remediation needs.
- Provide periodic risk updates to senior leadership and the Board.
- Facilitate an annual enterprise risk review to ensure alignment on risk priorities.
- Implement the ERO Reliability Risk Framework for NPCC and manage the regional risk register.
- Develop the Regional Risk Report to inform NPCC strategic planning and support committee and study prioritization.

Legal and Regulatory

Program Scope and Functional Description

The Legal and Regulatory program area is responsible for providing legal and regulatory advice to the Chief Executive Officer, Board, and staff on matters that affect NPCC. This includes drafting, reviewing, and maintaining NPCC's contracts, policies and procedures, and governance documents. It includes identifying and evaluating corporate, operational, strategic, and reputational risks and ensuring legal and regulatory compliance with applicable laws, orders, rules, and regulations. It also includes oversight of outside counsel, as necessary, which may review complex matters for legal sufficiency and provide independent legal advice and guidance on certain employment and Human Resource related matters.

The Legal and Regulatory program area is also responsible for Corporate Secretary function activities such as preparing Board materials and minutes, facilitating, and conducting Board training, and ensuring that meetings of the Board of Directors and Committees adhere to the NPCC Amended and Restated Bylaws and other relevant governing documents.

The Legal and Regulatory program area also provides oversight to the CME subprogram area of CORC. This includes overseeing settlements, contested enforcement matters, and enforcement submissions or filings with FERC and other Canadian regulatory agencies.

2027 Key Assumptions

The 2027 Key Assumptions for the NPCC Legal and Regulatory function are as follows:

- NPCC will continue to support NPCC's governance structure by supporting the Board and Board committees, facilitating the selection of stakeholder and independent directors, and drafting and obtaining approval of any necessary governance documents.
- NPCC will continue to support the processing of enforcement actions through the development or oversight of settlement agreements and Notices of Penalty, leading settlement negotiations with the registered entities, and supporting enforcement filings before FERC, the Régie de l'énergie, the New Brunswick Energy and Utilities Board and other applicable governmental authorities.
- NPCC will continue to enhance its strategic engagement with policy makers and regulators in the states and provinces in the NPCC footprint to educate them on what NPCC does in the areas of reliability and security, NERC and regional assessments, and reports.
- NPCC will proactively engage with NERC, FERC, and other regulatory agencies to ensure NPCC's continued recognition as a Regional Entity.

2027 Goals and Key Deliverables

The 2027 Goals and Key Deliverables for the NPCC Legal and Regulatory function are as follows:

- Work with Enforcement to support processing enforcement actions, including the documentation of settlement agreements and Notices of Penalty, through the filing process at FERC.
- Support other Program Areas by responding to oversight and audits, Compliance complaints, and other inquiries.
- Support NPCC's corporate governance needs.
- Support NPCC's corporate legal needs.
- As applicable, work with NERC and other Regions, on updating or renewing Memorandum of Understanding or other Agreements with applicable governmental authorities.

Information Technology

Program Scope and Functional Description

The Information Technology (IT) program manages the installation, maintenance, and security control configuration of NPCC information assets and network infrastructure. IT enforces the ERO Data Classification and Handling Protocols, the Security Principles for the ERO Enterprise, and the NPCC Cybersecurity and Data Protection Program through continuous oversight and monitoring of the network and operating systems and assists the program areas by providing them the functionality needed to meet their goals, objectives, and deliverables. Additionally, IT performs threat detection and incident response by integrating robust threat detection mechanisms and implementing effective incident response protocols, to safeguard NPCC's assets and reputation.

IT manages and maintains all NPCC contracts and alerts business users of renewals and reviews all contracts in collaboration with Legal.

NPCC partners with the ERO to implement, operate and maintain software tools supporting common enterprise-wide operations. NPCC leverages ERO solutions which have been approved by the ERO Executive Committee (ERO EC), which is comprised of the senior leadership of NERC and each of the Regional Entities. NERC and the Regional Entities are committed to working collaboratively to improve operational efficiency, minimize duplication of effort, and gain efficiencies by deploying common solutions from approved vendors, where practicable.

The NERC information technology budget does not supplant NPCC's need for IT expenditures for cybersecurity, regional projects, and internal region-specific IT support needs.

The IT program includes the following functions:

- Asset Management
- Contract Management
- Help Desk
- Infrastructure Support
- Security Operations

2027 Key Assumptions

NPCC's budget assumes the availability of enterprise software tools as described in NERC's business plan and budget. If implementation of these software applications is delayed or otherwise not available as planned, NPCC could incur additional costs to implement ERO

Enterprise-wide programs pending the availability of these applications. The 2027 plan considers the following regional assumptions:

- NPCC staff will have seamless access to the ERO Align and Secure Evidence Locker.
- NPCC IT will continue to maintain and enhance data analytics tools in support of the ERO Analytical Community of Excellence (ERO ACE) program, and will also support and maintain ERO selected energy assessment software for the Reliability Services Program Areas, assuming the need for these projects can be served by our IT staff and do not require a dedicated database administrator.
- NPCC will actively participate in designing, planning, and implementing ERO Centralized Applications.
- NPCC IT will support external communication activities as outlined in the NPCC Long-Term Strategy.
- The cybersecurity landscape will continue to evolve and require enhanced security tools and measures to strengthen NPCC's security posture and governance activities.
- NPCC's cloud infrastructure will be maintained and optimized.
- NPCC will utilize secure third-party hosting centers for its website and network.
- NPCC will utilize third-party support for 24x7 monitoring.
- NPCC will leverage IT consulting services for project-based work to augment staff skill sets instead of increasing headcount for the support of NPCC's website and cloud network environments.
- NPCC will adhere to equipment replacement cycles (computers every three years, servers every four years, network equipment every five years).
- NPCC will collaborate with ERO to conduct a third-party Cybersecurity Benchmark assessment.
- NPCC will deploy artificial intelligence tools to boost staff and ERO capabilities.
- NPCC will actively support the ERO's Enterprise 3-Year Cybersecurity and Long-Term Strategy initiatives.
- NPCC will implement controls and update policies to align to the ERO Security Principles and industry-standard security frameworks.

2027 Goals and Key Deliverables

The IT program responsibilities encompass a variety of complex technical, administrative, and supervisory work in the development, installation, and maintenance of information technology systems. IT goals include, but are not limited to:

- Identify and implement process improvements for manual tasks associated with IT core work and prioritized business projects, incorporating secured and vetted machine learning and AI capabilities to drive efficiency through the business.
- Evaluate NPCC's existing security controls and align them with industry-standard security frameworks.

- Develop and incorporate language into current policies and procedures to align them with the AI Principles for the ERO Enterprise.
- Maintain compliance with the ERO Data Classification and Handling Protocols, the ERO Security Principles and the AI Principles for the ERO Enterprise.
- Enhance NPCC's incident response capabilities and strengthen security controls.
- Strengthen NPCC's internal Security Awareness Program through education and training on social media, phishing, and other vulnerabilities that pose threats to NPCC systems.
- Maintain a robust Insider Threat Mitigation Program that includes proactive monitoring, early intervention, and reporting mechanisms to deter, detect, and mitigate risks posed by insiders.
- Develop in-house expertise, by obtaining industry recognized training and certifications to reduce the reliance on external vendors for system knowledge.
- Provide support to the Corporate Communications Program area, as needed, for NPCC's website and communication capability enhancements.
- Maintain and support the IT infrastructure for the ERO Analytical Community of Excellence (ERO ACE) program and ERO selected energy assessment software for the Reliability Services Program Areas.
- Assist the SAIS Program Area in delivering educational webinars, security bulletins, and outreach to NPCC members.
- Improve NPCC's infrastructure by upgrading various hardware components and equipment as they reach the end of life.

Human Resources

Program Scope and Functional Description

NPCC constructed an exceptional team of highly qualified employees to carry out their day-to-day activities in the Human Resources Management (HRM) function. A critical responsibility of Human Resources (HR) is to build a healthy work environment and motivate its employees at each step to promote the company's goals to ensure the organization's success. Human Resources designs, implements, and enforces policies and procedures, strategic planning, succession planning, knowledge transfer, and training and development. In addition, HR is responsible for managing the employee life cycle (i.e., recruiting, hiring, onboarding, training, and terminations), employee relations, performance management, compensation and benefits, Human Resources Information Systems (HRIS), and HR data and analytics tools all in adherence to applicable federal, state, and local laws.

2027 Key Assumptions

The Human Resources area will maintain its scope of operations from 2026. An increased number of employees drives the organization's recruitment needs, resulting in an increased workload.

2027 Goals and Key Deliverables

- Represent NPCC on the ERO People Culture and Strategy Group (PCSG) and participate in the ERO group activities to increase collaboration, transparency, and efficiency.
- Enhance employee recruiting and retention policies and practices.
- Increase the effectiveness of performance management processes.
- Amplify employee engagement activities, events, and voluntary employee resource groups.
- Manage rising benefits costs and establish competitive programs.

Finance and Accounting

Program Scope and Functional Description

The Finance and Accounting program directs the overall financial plans and accounting practices of the organization; oversees treasury, accounting, budget, tax, and audit activities; and oversees financial and accounting system controls and standards. NPCC uses a CPA firm to prepare its unaudited statements of activities and financial statements for quarterly reviews. Independent audits have consistently identified this system as a best practice.

2027 Key Assumptions

The Finance and Accounting program area will maintain its scope of operations from 2026.

2027 Goals and Key Deliverables

The objectives are to provide or obtain the financial and accounting services for NPCC and coordinate with NERC requirements:

- Participate in ERO Finance Group activities to increase collaboration and efficiency
- Utilize the NERC System of Accounts for consistency
- Utilize an accrual method of accounting for consistency with NERC in methodology
- Alignment of changes in budget and changes in aggregate assessment
- Cash Management
- Budget development using the NERC budget template format
- Forecasts and projections
- Alignment of NPCC Committees, Task Forces and Working Groups with the programs
- Payroll and expense administration
- Preparation of unaudited quarterly financial variance reports
- IRS reporting
- Annual independent audit of financial statements

The Statement of Activities for the Administrative Services program area is shown below. See [Administrative Services Major Budget Drivers](#) for explanation of significant variances.

Administrative Services Statement of Activities

Statement of Activities and Capital Expenditures 2026 Budget and 2027 Budget ADMINISTRATIVE SERVICES

	2026 Budget	2027 Budget	Variance (\$)	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ (433,974)	\$ (1,040,792)	\$ (606,818)	
Penalty Sanctions	-	-	-	
Total ERO Funding	\$ (433,974)	\$ (1,040,792)	\$ (606,818)	140%
Membership Dues	-	-	-	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	252,700	323,000	70,300	
Total Funding (A)	\$ (181,274)	\$ (717,792)	\$ (536,518)	296%
Expenses				
Personnel Expenses				
Salaries	\$ 4,575,437	\$ 5,572,056	\$ 996,618	
Payroll Taxes	280,262	351,143	70,881	
Benefits	1,013,915	1,189,906	175,991	
Retirement Costs	512,930	605,349	92,419	
Total Personnel Expenses	\$ 6,382,544	\$ 7,718,454	\$ 1,335,909	21%
Meeting Expenses				
Meetings & Conference Calls	\$ 138,500	\$ 179,000	\$ 40,500	
Travel	193,741	216,475	22,735	
Total Meeting Expenses	\$ 332,241	\$ 395,475	\$ 63,235	19%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 90,000	\$ 241,250	\$ 151,250	
Office Rent	389,500	402,000	12,500	
Office Costs	1,379,046	1,548,428	169,382	
Professional Services	1,130,380	1,044,150	(86,230)	
Miscellaneous	25,000	25,080	80	
Total Operating Expenses, excluding Depreciation	\$ 3,013,926	\$ 3,260,908	\$ 246,982	8%
Total Direct Expenses	\$ 9,728,711	\$ 11,374,837	\$ 1,646,126	17%
Indirect Expenses	\$ (9,728,711)	\$ (11,374,837)	\$ (1,646,126)	17%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ -	\$ -	\$ -	
Change in Net Assets (=A-B)	\$ (181,275)	\$ (717,792)	\$ (536,518)	296%
Fixed Asset Additions, excluding Right of Use Assets (C)	-	-	-	
TOTAL BUDGET (=B+C)	\$ -	\$ -	\$ -	
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (181,275)	\$ (717,792)	\$ (536,518)	296%
FTES	19.25	23.00	3.75	19%

Criteria Services Division Activities

NPCC Regionally-Specific Criteria Services Overview

NPCC Criteria Services division activities are based on the development, maintenance, and retirement of regionally-specific, more stringent reliability criteria and supporting guideline or procedural documents. The requirements in NPCC Reliability Criteria apply only to those facilities defined as NPCC Bulk Power System (BPS) elements through the performance-based methodology identified in NPCC Document A-10, “Classification of Bulk Power System Elements.”

In accordance with the NERC Rules of Procedure Section 313, Regional Entities may develop Regional Criteria necessary to implement, augment, or facilitate compliance with NERC Reliability Standards. Regional Criteria may also include acceptable operating or planning parameters, guides, or other documents used to enhance BPS reliability.

NPCC’s Directories contain Regional Criteria which consists of requirements which provide an enhanced level of reliability to the NPCC defined BPS. These criteria impose more stringent requirements than those which appear in the NERC Reliability Standards. The Regional Criteria may also be utilized to address issues not within the scope or jurisdiction of FERC as outlined in Section 215 of the Federal Power Act, such as resource adequacy. Regional Criteria may also address Canadian Provincial reliability issues, and may include specific operating or planning parameters, guides, agreements, protocols, or other documents used to enhance the reliability of the BPS in the Region. These documents typically provide benefits by promoting more consistent implementation of the NERC Reliability Standards within the Region. These documents are not NERC Reliability Standards, Regional Reliability Standards, or Regional Variances, and therefore are not enforceable under the authority delegated by NERC pursuant to delegation agreements.

On a periodic basis and as NERC Reliability Standards are revised or new standards are developed, NPCC performs reviews of any associated Regional Criteria for possible impact (e.g., continued need or revision). During the criteria review process NPCC’s Task Forces review not only the incremental reliability benefit, but also the cost effectiveness of the criteria. In addition, as NERC Reliability Standards are enhanced, revised, and ultimately approved by the FERC, some requirements of the NPCC Regional Criteria may become unnecessary in the U.S. portion of NPCC. In these situations, it is important that the criteria remain in place until such time as all NPCC’s Canadian Provincial regulators adopt the NERC Reliability Standard to ensure no reliability gaps exist.

For 2027 and beyond, the potential reliability impacts of increased penetration of Distributed Energy Resources (DERs) and Variable Energy Resources (VERs) along with the changing fuel mix for generation within the NPCC footprint, warrant consideration. The Criteria Services

division staff, in conjunction with the NPCC Task Forces and Working Groups have a unique opportunity to conduct reviews of these issues and develop criteria, guidelines, and procedural documents for Regionally-specific, more stringent requirements for DER, IBR and VER. Participation of the entities responsible for the DER, IBR and VER in the development of reliability documents will become more important in the future as penetration levels increase. Outreach, collaboration, and coordination of topics related to DER, IBR and VER will enable NPCC to develop guidance allowing more effective integration of these resources.

Increasing resilience of the BPS through alternative approaches to standards development using potential NPCC Regional Criteria, guidelines, and whitepapers will also be continually reviewed by NPCC's body of subject matter experts.

NPCC Criteria Services continually prioritizes the revision of its reliability criteria based on potential emerging risks.

Membership

Full members, in accordance with NPCC's Amended and Restated Bylaws, are subject to compliance with regionally-specific criteria and receive criteria-related services from the Criteria Services division.

Full Members, aside from those who perform the Balancing Authority (BA) function, are not assessed an annual membership fee. Those that perform BA functions are assessed and remit a proportional Net Energy Load (NEL) share of expenses for Criteria Services. NPCC also directly assigns Criteria Service division costs to a BA or entity, where significant costs are incurred by that BA. The funding for NPCC's Criteria Services division is approved by the NPCC Board of Directors.

Under its Criteria Services Program area, NPCC will identify for membership, those entities involved in emerging technologies to assure that those entities which have an impact on BPS reliability are included in appropriate NPCC activities.

Criteria Services Division

Program Scope and Functional Description

NPCC's Criteria Services Division leads the development of Regional Criteria that are necessary to implement, to augment, or to comply with NERC Reliability Standards, but which are not Reliability Standards. NPCC's Regional Criteria also address reliability issues not within the scope of Reliability Standards, such as resource adequacy.

NPCC's regionally-specific more stringent reliability Criteria apply to Full Members of NPCC that own or operate generation or transmission facilities for which faults or disturbances can have a significant adverse impact outside of the local area and which are identified utilizing a reliability impact-based methodology. The Criteria are documented in the NPCC Directories and, in some cases, the legacy "A" documents. The NPCC Document "A-10," "Classification of Bulk Power System Elements", describes the process used to determine which generation and transmission facilities must meet the Criteria.

NPCC's Criteria Services Division leads the development and implementation of the Criteria Compliance and Enforcement Program. This includes facilitating the monitoring of compliance with the Regional Criteria and the reporting of non-compliance with the Regional Criteria. This is done through the development of process documents and procedures to ensure Full Members have the means to monitor and report noncompliance with the Regional Criteria.

Strategic and Business Planning

2027 Key Assumptions

The Criteria Services division activities are expected to remain stable throughout 2027.

2027 Goals and Objectives

- Continue the review and development of the NPCC Directories containing regionally-specific criteria, which augment or add specificity to the NERC Reliability Standards, and which clearly delineate the more stringent NPCC criteria requirements. The more stringent NPCC Regional criteria provide consistency and operational clarity while providing more robust defense in-depth, results based, criteria requirements to ensure bulk power system reliability.
- Review the criteria found in the NPCC Directories on a triennial basis to ensure no redundancies or inconsistencies exist.
- Retire Directories and/or criteria which have been overtaken by improved NERC standards.
- Identify opportunities to develop criteria, procedures, or guideline documents to address emerging regional risks to the bulk power system.
- File criteria with the applicable regulatory authorities as necessary.
- The Criteria Services division and the CCEP Working Group (a sub-group of the Compliance Committee) will work with the various Task Forces to develop Criteria Compliance Reporting Forms for reviewing adherence to regionally-specific Criteria. The Criteria Services division and the CCEP Working Group will work with the Task Force on Coordination of Operation (TFCO), Task Force on Coordination Planning (TFCP), Task Force on System Studies (TFSS), and Task Force on System Protection (TFSP) to review criteria within each specific NPCC Directory to identify and develop them into specific reporting forms for approval.
- Continually review potential impacts of Sector or NPCC organizational changes on the Directories and criteria by performing a review of enforcement and arbitration processes as needed.
- Facilitate any requested clarifications for NPCC criteria with the necessary subject matter experts and identify any other potential opportunities for clarifications of the Criteria.

NPCC Reliability Directories Maintenance and Development

The NPCC Regional Reliability Directories were developed to demonstrate that the NPCC more stringent criteria augment, add specificity, or address issues not covered in the NERC Reliability Standards as mandated by the NERC Rules of Procedure. The conversion of NPCC's reliability criteria into Directories was undertaken to remove any redundancies with

the NERC or NPCC Regional Reliability Standards and to clearly delineate the more stringent NPCC criteria requirements.

In 2027, work will continue with the maintenance, revision, or potential retirement of individual Directories to address any actual or anticipated redundancies with new or modified NERC or NPCC Reliability Standards. The ongoing review and maintenance of the Directories will require Task Force and Criteria Services staff to support this effort and to serve as subject matter experts. NPCC will conduct internal reviews of all draft standards against regional criteria and utilize subject matter experts to identify reliability and compliance related concerns. NPCC will file the revised NPCC Directories and notifications of retirements of Directories with the Canadian governmental and/or provincial regulatory authorities within the NPCC footprint as needed, in accordance with established provincial procedures and agreements executed with NPCC.

Additionally, as NERC Reliability Standards are developed, associated Directories will be reviewed for continued need. This review will identify the incremental reliability enhancement the Directory's criteria will yield, determine if the enhancement is sufficient to warrant retention and if so, are there any potential cost-effective alternatives that may exist to achieve that enhanced level of reliability.

NPCC Operations and Planning Directories

The following Directories are expected to remain active for 2027.

Directory No. 1, Design and Operation of the Bulk Power System

This Directory documents NPCC's Regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC TPL, BAL, IRO, INT, MOD, TOP, PRC, and VAR standards. A review to revise this Directory has been ongoing to incorporate potential revisions due to DER and VER and other emerging risks. Additionally, a Roadmap to inform future revisions of Directory No. 1 has been posted on the NPCC website and will guide an anticipated review in 2027.

Directory No. 2, Emergency Operations

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing NERC EOP and TOP standards. The NPCC Task Force on Coordination of Operation is currently reviewing this Directory with an anticipated completion before 2027.

Directory No. 4, System Protection Criteria

This Directory documents NPCC's regionally-specific, more stringent system protection criteria, and demonstrates coordination and consistency with certain applicable NERC PRC standards. The Task Force on System Protection will review and update Directory 4, including revisions to the glossary of terms, by the end of 2027.

Directory No. 5, Reserve

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with all the existing applicable NERC BAL, INT, and IRO standards. The NPCC Task Force on Coordination of Operation completed its review of Directory 5 in the fourth quarter of 2025, and no work is planned for 2027.

Directory No. 6, Reserve Sharing Groups

This Directory provides the requirements for NPCC Balancing Authorities to participate in a Reserve Sharing Group. The NPCC Task Force on Coordination of Operation is currently reviewing this Directory with an anticipated completion date before the end of 2027.

Directory No. 7, Remedial Action Schemes

This Directory documents NPCC's regionally-specific, more stringent criteria for application and approval of RAS. The NPCC Task Force on System Protection completed its triennial review in 2025, and no work is scheduled for the 2027.

Directory No. 8, System Restoration

This Directory documents NPCC's regionally-specific, more stringent criteria which each applicable entity must plan for and perform power system restoration following a major or a total blackout and demonstrates coordination and consistency with applicable NERC EOP standards. The NPCC Task Force on Coordination of Operation is undergoing a targeted review with anticipated completion in 2026. A comprehensive triennial review is scheduled to begin in 2027.

Directory No. 11, Disturbance Monitoring Equipment

This Directory documents NPCC's regionally-specific, more stringent criteria, and demonstrates coordination and consistency with certain existing NERC PRC standards. The NPCC Task Force on System Protection developed Directory No. 11 to facilitate the retirement of the NPCC Regional Standard PRC-002-NPCC-1. Directory No. 11 is due for review, and the goal is to finalize revisions by the end of 2027.

Criteria Services Goals and Statements of Activities

NPCC Criteria Compliance and Enforcement Program (CCEP)

The CCEP monitors Full Members of NPCC for compliance on a subset of the regionally-specific NPCC Criteria that are unique to the NPCC BPS. In 2027, there will be aspects of the Criteria monitored as part of the annual CCEP Implementation Plan.

Through NPCC Staff oversight, the stakeholder Compliance Committee (CC) supports the annual implementation of the CCEP via the NPCC CCEP Process Document (CCEP-1). A subgroup of CC members develops the annual CCEP Implementation Plan for approval by the full CC and acceptance by the RCC. The full CC reviews the returned certification forms, and NPCC staff develops an annual assessment report that summarizes the certification results where any recommendations on non-compliances are then presented to the RCC.

Upon RCC acceptance, instances of noncompliance result in a summary notification from the CC Chair to the Compliance Executive of the offending Full Member and to the NPCC President and CEO.

Please see the CCEP section of the [NPCC website](#) for more information.

Criteria Services Funding Sources

The proposed 2027 Criteria Services budget of \$1,198,252 represents a decrease of \$56,340 or 4.5% under the 2026 budget. The proposed Criteria Services membership fees of \$978,599 represents a decrease of \$84,381 or 7.9% under the 2026 membership fees.

Major Drivers

- **Personnel** expenses decrease of \$65,034 due to a net decrease of 0.15 FTEs resulting from partial redeployment of several employees to accommodate changing workload.

Criteria Service Statement of Activities

Statement of Activities and Capital Expenditures CRITERIA SERVICES DIVISION

	2026 Budget	2027 Budget	Variance \$	Variance %
Funding				
ERO Funding				
ERO Assessments	\$ -	\$ -	\$ -	
Penalty Sanctions	-	-	-	
Total ERO Funding	\$ -	\$ -	\$ -	
Membership Dues	1,062,980	978,599	(84,381)	
Testing Fees	-	-	-	
Services & Software	-	-	-	
Workshops & Misc Revenue	-	-	-	
Interest & Investment Income	13,300	17,000	3,700	
Total Funding (A)	\$ 1,076,280	\$ 995,599	\$ (80,681)	-7%
Expenses				
Personnel Expenses				
Salaries	\$ 549,852	\$ 459,522	\$ (90,329)	
Payroll Taxes	40,980	39,586	(1,395)	
Benefits	132,007	165,508	33,501	
Retirement Costs	57,569	50,758	(6,811)	
Total Personnel Expenses	\$ 780,408	\$ 715,374	\$ (65,034)	-8%
Meeting Expenses				
Meetings	\$ 8,000	\$ 4,000	\$ (4,000)	
Travel	52,403	52,403	-	
Total Meeting Expenses	\$ 60,403	\$ 56,403	\$ (4,000)	-7%
Operating Expenses, excluding Depreciation				
Consultants & Contracts	\$ 15,000	\$ 15,000	\$ -	
Office Rent	-	-	-	
Office Costs	1,750	1,750	-	
Professional Services	-	-	-	
Miscellaneous	-	-	-	
Total Operating Expenses, excluding Depreciation	\$ 16,750	\$ 16,750	\$ -	0%
Total Direct Expenses	\$ 857,561	\$ 788,526	\$ (69,034)	-8%
Indirect Expenses	\$ 393,521	\$ 402,859	\$ 9,338	2%
Other Non-Operating Expenses	\$ -	\$ -	\$ -	
Total Expenses (B)	\$ 1,251,082	\$ 1,191,385	\$ (59,696)	-5%
Change in Net Assets (=A-B)	\$ (174,801)	\$ (195,787)	\$ (20,985)	
Fixed Asset Additions, excluding Right of Use Assets (C)	3,510	6,867	3,357	96%
TOTAL BUDGET (=B+C)	\$ 1,254,592	\$ 1,198,252	\$ (56,339)	-4%
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (178,311)	\$ (202,654)	\$ (24,342)	14%
FTES	2.70	2.55	-0.15	-6%

Personnel Analysis

Total FTEs by Program Area	2026 Budget	2027 Budget Direct FTES	2027 Budget Shared FTES	2027 Budget Total FTES	Change from 2026 Budget
CRITERIA SERVICES DIVISION					
Criteria Services	2.70	1.00	1.55	2.55	-0.15
Total FTEs Criteria Services Division	2.70	1.00	1.55	2.55	-0.15

¹A shared FTE is defined as an employee who performs both Regional Entity and Criteria Services division functions.

Criteria Services Reserve Analysis

Working Capital and Operating Reserve Analysis 2026-2027			
CRITERIA SERVICES DIVISION			
	Total Reserve	Working Capital	Operating Reserve
Beginning Total Reserve, December 31, 2025	716,475	616,108	100,367
2026 Non-Statutory Funding (from members)	1,062,980	1,062,980	
Plus: 2026 Other funding sources	13,300	13,300	
Less: 2026 Projected expenses & fixed asset additions	(1,254,592)	(1,254,592)	
Remaining Business Continuity Reserves released into Working Capital	0		
Projected Total Reserve, December 31, 2026	538,164	437,796	100,367
Desired Total Reserve, December 31, 2027	335,510	239,650 ¹	95,860 ²
Less: Projected Total Reserve, December 31, 2026	(538,164)	(437,796)	(100,367)
Increase(decrease) in assessments to achieve desired Total Reserve	(202,653)	(198,146)	(4,507)
2027 Funding requirement for expenses and fixed asset additions	1,198,252		
Less: Other Funding Sources	(17,000)		
Adjustment to Operating Reserve to achieve desired Total Reserve balance ²	(4,507)		
Adjustment to Working Capital to achieve desired Total Reserve balance ¹	(198,146)		
2027 Funding and reserve requirement	978,599		

¹ Working Capital must be within a range from 8% to 25% of Budget. \$239,650 represents 20% of the 2027 budget of \$1,198,252.

² Operating Reserve must equal 8% of Budget. \$95,860 represents 8% of the 2027 budget of \$1,198,252.

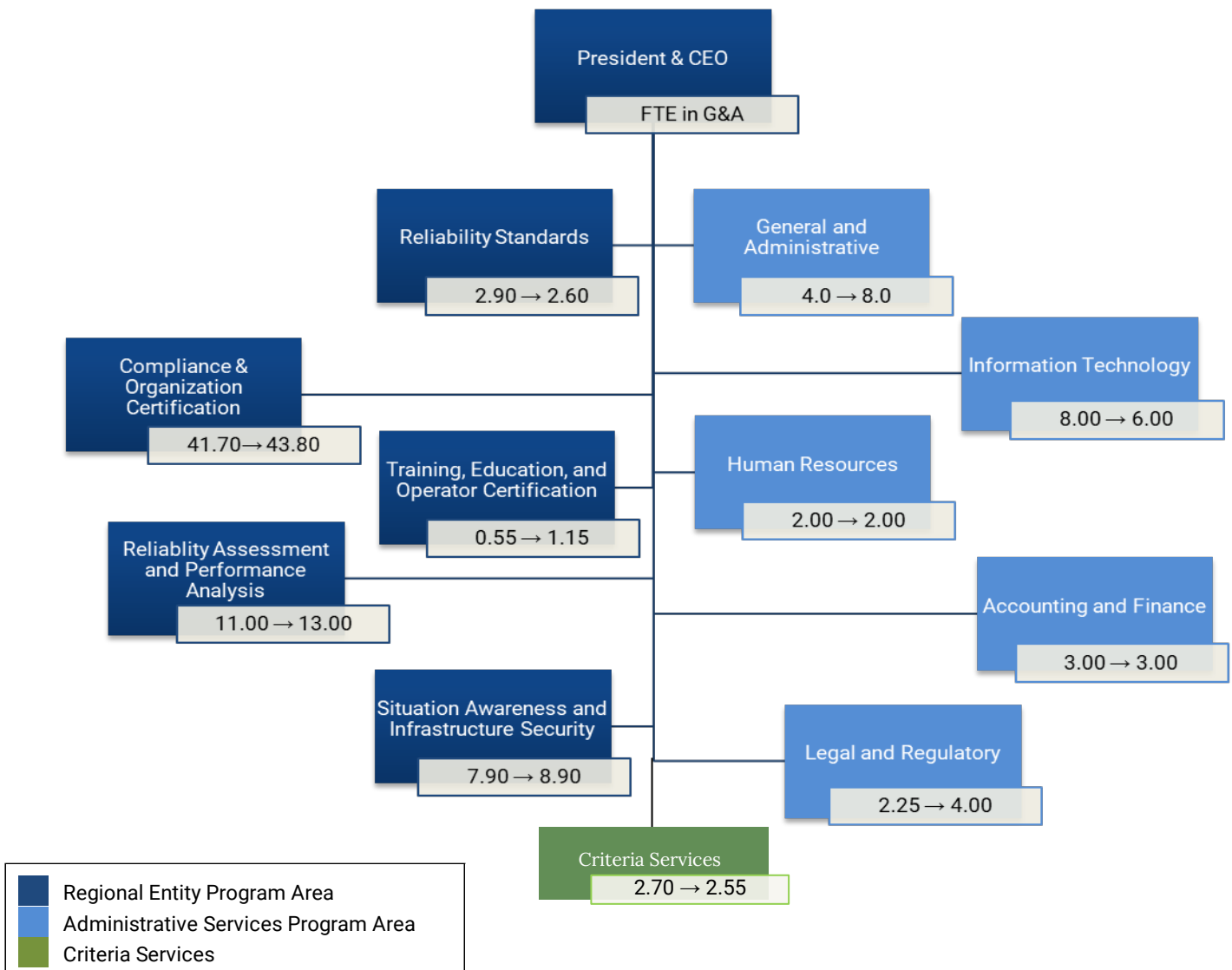
Explanation of Changes in Reserve Policy from Prior Year

There was no change to the existing Working Capital and Operating Reserve Policy.

Appendix A - NPCC Organizational Chart

Changes in Budgeted FTE by Program Area

2026 FTE: 86.00
2027 FTE: 95.00
Regional Entity: 92.45
Criteria Services: 2.55



Appendix B – Consolidated Statement of Activities by Program

NPCC Statement of Activities 2027 Budget	RE Division Total	Reliability Standards (Section 300)	Compliance Monitoring and Enforcement and Organization Registration and Certification (Section 400 & 500)	Reliability Assessment and Performance Analysis (Section 800)	Training, Education, and Operator Certification (Section 900)	Situation Awareness and Infrastructure Security (Section 1000)	Administrative Services
Funding							
ERO Funding							
ERO Assessments	\$ 30,110,136	\$ 1,249,865	\$ 17,760,435	\$ 6,747,788	\$ 1,006,443	\$ 4,384,398	\$ (1,040,792)
Penalty Sanctions	300,000	11,231	189,201	56,156	4,968	38,445	-
Total ERO Funding	\$ 30,410,136	\$ 1,261,096	\$ 17,949,635	\$ 6,803,943	\$ 1,013,410	\$ 4,422,843	\$ (1,040,792)
Testing Fees	-	-	-	-	-	-	-
Services & Software	-	-	-	-	-	-	-
Workshops & Misc Revenue	\$ 48,500	\$ -	\$ -	\$ -	\$ 48,500	\$ -	\$ -
Interest & Investment Income	323,000	-	-	-	-	-	323,000
Total Funding (A)	\$ 30,781,636	\$ 1,261,096	\$ 17,949,635	\$ 6,803,943	\$ 1,061,910	\$ 4,422,843	\$ (717,792)
Expenses							
Personnel Expenses							
Salaries	\$ 17,901,829	\$ 492,907	\$ 7,382,881	\$ 2,264,285	\$ 441,117	\$ 1,748,582	\$ 5,572,056
Payroll Taxes	1,363,848	41,251	627,390	182,328	23,032	138,704	351,143
Benefits	4,891,400	204,733	2,186,917	635,858	106,173	567,815	1,189,906
Retirement Costs	1,918,121	54,464	799,427	232,809	44,156	181,916	605,349
Total Personnel Expenses	\$ 26,075,198	\$ 793,355	\$ 10,996,615	\$ 3,315,279	\$ 614,478	\$ 2,637,017	\$ 7,718,454
Meeting Expenses							
Meetings	\$ 494,350	\$ 7,000	\$ 14,000	\$ 88,250	\$ 172,100	\$ 34,000	\$ 179,000
Travel	1,263,468	35,498	408,600	312,700	86,550	203,645	216,475
Conference Calls	-	-	-	-	-	-	-
Total Meeting Expenses	\$ 1,757,818	\$ 42,498	\$ 422,600	\$ 400,950	\$ 258,650	\$ 237,645	\$ 395,475
Operating Expenses, excluding Depreciation							
Consultants & Contracts	\$ 1,293,250	\$ -	\$ -	\$ 960,000	\$ -	\$ 92,000	\$ 241,250
Office Rent	402,000	-	-	-	-	-	402,000
Office Costs	1,720,378	2,500	144,550	14,000	1,800	9,100	1,548,428
Professional Services	1,044,150	-	-	-	-	-	1,044,150
Miscellaneous	25,080	-	-	-	-	-	25,080
Total Operating Expenses, excluding Depreciation	\$ 4,484,858	\$ 2,500	\$ 144,550	\$ 974,000	\$ 1,800	\$ 101,100	\$ 3,260,908
Total Direct Expenses	\$ 32,317,874	\$ 838,353	\$ 11,563,765	\$ 4,690,229	\$ 874,928	\$ 2,975,762	\$ 11,374,837
Indirect Expenses	\$ (402,859)	\$ 410,758	\$ 6,919,692	\$ 2,053,790	\$ 181,681	\$ 1,406,056	\$ (11,374,837)
Other Non-Operating Expenses							
	-	-	-	-	-	-	-
Total Expenses (B)	\$ 31,915,015	\$ 1,249,111	\$ 18,483,457	\$ 6,744,019	\$ 1,056,609	\$ 4,381,818	\$ -
Change in Net Assets (=A-B)	\$ (1,133,379)	\$ 11,985	\$ (533,822)	\$ 59,924	\$ 5,301	\$ 41,025	\$ (717,792)
Fixed Asset Additions , excluding Right of Use Assets (C)	\$ 320,133	\$ 11,985	\$ 201,898	\$ 59,924	\$ 5,301	\$ 41,025	\$ -
TOTAL BUDGET (=B + C)	\$ 32,235,148	\$ 1,261,096	\$ 18,685,355	\$ 6,803,943	\$ 1,061,910	\$ 4,422,843	\$ -
TOTAL CHANGE IN WORKING CAPITAL (=A-B-C)	\$ (1,453,512)	\$ -	\$ (735,720)	\$ -	\$ -	\$ -	\$ (717,792)
FTEs	92.45	2.60	43.80	13.00	1.15	8.90	23.00

Appendix C – Glossary

Acronym	Definition	Acronym	Definition
ACE	Analytical Community of Excellence	CDAA	CMEP Data Administration Application
AI	Artificial Intelligence	CEH	Continuing Education Hour
AMWG	ERAG Acceptable Model Working Group	CF	Compliance Fundamentals
ASR	Assessment Stabilization Reserve	CIGRE	Conseil International des Grands Réseaux Electriques
BAA	Balancing Authority Area	CIP	Critical Infrastructure Protection
BEP	BES Exception Process	CME	Compliance Mitigation and Enforcement
BES	Bulk Electric System	CMEP	Compliance Monitoring and Enforcement Program
BPS	Bulk Power System	COP	Compliance Oversight Plan
CAI	Compliance Audits and Investigations	CORC	Compliance Monitoring and Enforcement and Organization Registration and Certification Program
CC	Compensation Committee	CORES	Centralized Organization Registration ERO System
CC	Compliance Committee	CUG	Consortium Users Group
CCEP	Criteria Compliance and Enforcement Program	DER	Distributed Energy Resources
CCTF	CIP Compliance Task Force	DHS	Department of Homeland Security

Acronym	Definition	Acronym	Definition
DOE	Department of Energy	FFT	Find, Fix, Track and Report
EAP	ERO Event Analysis Process	GADS	Generator Availability Data System
EG	Enforcement Group	GADSWG	Generating Availability Data System Working Group
EIA	U.S. Energy Information Administration	GMD	Geomagnetic Disturbance
EIC	Evaluation of Internal Controls	GNC	Governance and Nominating Committee
E-ISAC	Electricity Information Sharing and Analysis Center	HQCMÉ	Hydro-Québec Contrôle des mouvements d'énergie
EPRI	Electric Power Research Institute	HSIN	Homeland Security Information Network
ERO	Electric Reliability Organization	IBR	Inverter-Based Resource
EROCG	ERO Communications Group	IEEE	Institute of Electrical and Electronics Engineers
ESIG	Energy Systems Integration Group	IESO	Independent Electricity System Operator
FAC	Finance and Audit Committee	IRA	Inherent Risk Assessment
FERC	Federal Energy Regulatory Commission	IRPS	Inverter-Based Resource Performance Subcommittee

Acronym	Definition	Acronym	Definition
ISO	Independent System Operator	NBMG	Node Breaker Modeling Group
LSE	Load Serving Entity	NCCIC	National Cybersecurity and Communications Integration Center
MACD	Market Assessment and Compliance Division	NEL	Net Energy for Load
MAST	Modeling and Studies Team	NERC	North American Electric Reliability Corporation
MIDASWG	Misoperation Information Data Analysis System Working Group	NLH	Newfoundland and Labrador Hydro
MMWG	Multi-Regional Modeling Working Group	NOI	Notice of Inquiry
MOU	Memorandum of Understanding	NOPR	Notice of Proposed Rulemaking
MTF	Manual Task Force	NPCC	Northeast Power Coordinating Council, Inc.
NAESB	North American Energy Standards Board	NSEB	Nova Scotia Energy Board
NATF	North American Transmission Forum	NSPI	Nova Scotia Power Incorporated
NBCMEP	New Brunswick Compliance Monitoring and Enforcement Program	OEB	Ontario Energy Board
NBEUB	New Brunswick Energy and Utilities Board	OPCTF	Operations and Planning Compliance Task Force

Acronym	Definition	Acronym	Definition
ORCG	Organization Registration and Certification Group	RISC	Reliability Issues Steering Committee
PAS	Performance Analysis Subcommittee	RPIC	Retirement Plan Investment Committee
PAWG	Probabilistic Assessment Working Group	RPMG	Risk Performance and Monitoring Group
PJM	Pennsylvania-Jersey-Maryland Interconnection LLC, Regional Transmission Organization	RSC	Regional Standards Committee
PSWG	Physical Security Working Group	RSDP	Reliability Standards Development Plan
QCMEP	Québec Reliability Standards Compliance Monitoring and Enforcement Program	RSPM	Regional Standard Process Manual
RAPA	Reliability Assessment and Performance Analysis	RSTC	Reliability and Security Technical Committee
RAPA-SG	ERO RAPA Steering Group	RTO	Regional Transmission Organization
RAS	Reliability Assessment Subcommittee	RTWG	Reliability Training Working Group
RAS	Remedial Action Scheme	SAFNR	Situational Awareness-FERC, NERC, Regions
RC	Reliability Coordinator	SAIS	Situation Awareness and Infrastructure Security
RCC	Reliability Coordinating Committee	SAR	Standards Authorization Request

Acronym	Definition	Acronym	Definition
SCPS	Standards Committee Process Subcommittee	TFCP	Task Force on Coordination of Planning
SDT	Standards Drafting Team	TFE	Technical Feasibility Exception
SEL	Secure Evidence Locker	TFIST	Task Force on Infrastructure Security and Technology
SMS	Synchronized Measurement Subcommittee	TFSP	Task Force on System Protection
SPCS	System Protection and Control Subcommittee	TFSS	Task Force on System Studies
SPIDERWG	System Planning Impacts from Distributed Energy Resources Working Group	UFLS	Underfrequency Load Shedding
SPS	Special Protection Systems	VER	Variable Energy Resources
TADS	Transmission Availability Data System		
TADSWG	Transmission Availability Data System Working Group		
TFCO	Task Force on Coordination of Operation		



**NPCC is dedicated to the
continued reliability of the
Bulk Power System in
Northeastern North America.**



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