

NORTH AMERICAN ENERGY STANDARDS BOARD

BYLAWS ADDENDUM

EXHIBIT 2

WHOLESALE ELECTRIC QUADRANT _____ SEGMENT PROCEDURES

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Section 1 Definitions

All capitalized terms shall have the same definitions as specified in the Bylaws of NAESB, Certificate of Incorporation of NAESB or in the Wholesale Electric Quadrant (WEQ) Procedures.

Section 2 Purpose, Scope, Principles and Policies

2.1 Purpose & Scope

A. Purpose

To contribute to the proposal, evaluation, and adoption of voluntary standards and Model Business Practices as described in the WEQ Procedures from the perspective of the _____ Segment membership.

B. Scope

The _____ Segment of the WEQ is to address issues and practices as described in the WEQ Procedures from the perspective of the _____ Segment membership.

2.2 See the NAESB Bylaws and WEQ quadrant procedures.

2.3 Membership Requirements

A. Segment Description

The _____ Segment of the Wholesale Electric Quadrant of the North American Energy Standards Board (“NAESB”) is one of ____ () co-equal segments comprising the Wholesale electric market. The _____ Segment membership is comprised of _____ persons that _____.

The _____ Segment includes Subsegments as follows: Subsegment I, Subsegment II.

B. _____ Segment Membership Requirements

Membership in the _____ Segment of the Wholesale Electric Quadrant of the NAESB shall be open to any person that meets the following requirements:

1. The person meets the general membership criteria set forth in the Bylaws (Article 5), the Certificate of Incorporation (Article IV, Sections 1 and 2), and the WEQ Procedures (Section 2.3).
2. The person has declared membership in the WEQ _____ Segment, a Subsegment, as applicable, and has paid the applicable NAESB dues.
3. A trade association may join the _____ Segment as a Voting Member; provided the members of the trade association are under-represented in the _____ Segment. Only the _____ Segment Membership may determine if a trade association's members are under-represented as Voting Members in the _____ Segment.

Sections 3 – 5 See the NAESB Bylaws and WEQ quadrant procedures.

Section 6 _____ Segment Meetings

- A. All meetings held in association with the _____ Segment of WEQ are open to any interested company or organization. Only WEQ _____ Segment Members, however, shall have a right to vote at such meetings.
- B. Meeting Minutes of all _____ Segment meetings, including voting results, are to be reported by the _____ Chair, the _____ Vice-Chair, or the _____ Secretary (see Section 8 for definitions), at the _____ Chair's discretion, to the NAESB Office for publication within 15 days of the date of the meeting.

Section 7 Board

7.1 Representation

The _____ Segment of the WEQ shall be represented on the WEQ Board and shall conduct elections of _____ Segment Members, as necessary, to fill expiring or vacant WEQ Board seats.

7.2 Qualification of Directors

To be eligible to serve as a _____ Segment representative on the NAESB Board of Directors, the individual must meet the requirements of Section 7.2 of the WEQ Procedures.

7.3 Number and Election of Directors

A. Number of Directors

____ () persons who are individual _____ Segment Members will represent the _____ Segment on the WEQ Board of Directors. At the completion of each election at least one _____ Segment Director shall be a person that is a member of Subsegment I and at least one _____ Segment Director shall be a person that is a member of Subsegment II. The Subsegment I Director requirement or the Subsegment II Director requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of a Director under WEQ Procedures Section 7.6.

B. Election of Directors

1. The _____ Segment of the WEQ shall elect individuals to serve on the Board as required by Article 7 of the NAESB Bylaws and Section 7.3 B. of the WEQ Procedures.
2. The election process for WEQ _____ Segment Directors shall be:
 - a. coordinated by the WEQ _____ Segment Vice-Chair with appropriate coordination with the NAESB Office, and
 - b. announced by notice posted on the NAESB web site no less than 15 days prior to the date of the election, with such notice indicating the name and affiliation of all candidates.
3. Elections for WEQ _____ Segment Directors shall be subject to the following provisions:

- a. Any _____ Segment Member of the WEQ with dues current is eligible to have one duly authorized representative cast the Member's vote;
- b. _____ Segment Members shall cast votes for candidates in a number not exceeding the number of Director seats open for election by the _____ Segment;
- c. The candidates receiving the greatest numbers of votes shall be elected; provided the _____ Segment Directors serving on the Board at the end of each election includes (1) at least one _____ Segment Director representing the interests of Subsegment I and (2) at least one _____ Segment Director representing the interest of Subsegment II. The Subsegment I Director requirement and the Subsegment II Director requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of a Director under WEQ Procedures Section 7.6;
- d. Results of the elections for the WEQ Directors, including the returned ballots, shall be forwarded to the NAESB Office, for the purpose of public record and validation of voting results, upon conclusion of any election.

7.4 Term of Office

Each Director from the _____ Segment of the WEQ shall serve a term of two years on the NAESB Board, as described in the WEQ Procedures, and except as provided for in Section 19.1 of this procedure.

Section 8 WEQ _____ Segment Officers

The _____ Segment Members shall elect Voting Members of the _____ Segment for applicable _____ Segment administrative and governance positions. _____ Segment Officers may also hold Board or EC seats.

8.1 _____ Segment Chair

The _____ Segment Chair will preside over all meetings of the general _____ Segment Membership separate from meetings of the WEQ.

8.2 _____ Segment Vice Chair

The _____ Segment Vice-Chair will assist the _____ Segment Chair in presiding over all meetings of the general _____ Segment. The Vice-Chair will organize and conduct all _____ Segment elections once the _____ Segment has commenced operation.

8.3 _____ Segment Secretary

In the event the NAESB Office is unable to take meeting minutes and record votes, the _____ Segment Chair will appoint a Secretary of the meeting.

8.4 Term of Office & Succession

The term of office of the _____ Segment Chair is one year concurrent with the operating year of NAESB. The _____ Segment Chair will be succeeded in the following year by the _____ Segment Vice-Chair, with a new _____ Segment Vice-Chair elected to fill the vacant _____ Segment Vice-Chair position.

Section 9 See the NAESB Bylaws.

Section 10 Executive Committee (EC)

10.1 Duties and Responsibilities Within Segment EC

The _____ Segment of the WEQ shall be represented on the WEQ EC and shall conduct elections of _____ Segment Members, as necessary, to fill expiring and vacant WEQ EC seats.

10.2 Qualifications

To be eligible to serve as a _____ Segment representative on the EC, the individual must meet the requirements of Section 10.2 of the WEQ Procedures.

10.3 Number and Election of EC Members

A. Number of EC Members

_____ () persons who are individual _____ Segment Members will represent the _____ Segment on the WEQ EC. At the completion of each election at least one _____ Segment EC Member shall be a person that represents the interests of Subsegment I and at least one _____ Segment EC Member shall be a person that represents the interests of Subsegment II. The Subsegment I EC Member requirement or the Subsegment II EC Member requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of an EC Member under WEQ Procedures Section 10.6.

B. Election of EC Members

1. The _____ Segment of the WEQ shall be represented on the NAESB EC by individuals who shall be elected, as required by Article 10 of the NAESB Bylaws and Section 10.3 B. of the WEQ Procedures.
2. The election process for WEQ _____ Segment representatives to the WEQ EC shall be
 - a. coordinated by the _____ Segment Vice-Chair with appropriate coordination with the NAESB Office, and
 - b. announced by notice posted on the NAESB web site no less than 15 days prior to the date of the election, with such notice indicating the name and affiliation of all candidates.
3. Elections for WEQ _____ Segment EC members shall be subject to the following provisions:
 - a. Any _____ Segment Member of the WEQ with dues current is eligible to have one duly authorized representative cast the Member's vote;
 - b. _____ Segment Members shall cast votes for candidates in a number not exceeding the number of EC seats open for election by the

_____ Segment;

- c. The candidates receiving the greatest numbers of votes shall be elected; provided the _____ Segment EC Members serving on the EC at the end of each election includes (1) at least one _____ Segment EC Member representing the interests of Subsegment I and (2) at least one _____ Segment EC Member representing the interest of Subsegment II. The Subsegment I EC Member requirement and the Subsegment II EC Member requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of an EC Member under WEQ Procedures Section 10.6.;
- d. Results of the elections for the WEQ EC, including the returned ballots, shall be forwarded to the NAESB Office, for the purpose of public record and validation of voting results, upon conclusion of any election;

10.4 Term of Office

Each EC Member from the _____ Segment of the WEQ shall serve a term of two years on the WEQ EC, as described in the WEQ Procedures, and except as provided for in Section 19.2 of this procedure.

10.5 – 10.6 See the NAESB Bylaws and WEQ quadrant procedures.

10.7 _____ Segment Designated Alternates

- A. The _____ Segment will select no more than four (4), and no less than one (1), _____ Segment Designated Alternate EC representative(s) in each election year, allowing for up to four (4) _____ Segment Designated Alternates.

- B. _____ Segment Designated Alternates will be selected by the same election that determines _____ Segment EC members, with those unsuccessful _____ Segment EC member candidate(s) receiving the greatest number of votes becoming a _____ Segment Designated Alternate in the event that there already are or are expected to be less than four _____ Segment Designated Alternates from the _____ Segment in the coming year.
- C. The first, second, third, and fourth _____ Segment Designated Alternate will be determined by the order of voting results of the most recent _____ Segment EC election.

Sections 11 – 17 See the NAESB Bylaws and WEQ quadrant procedures.

Section 18 Amendments

In order for these _____ Segment Procedures to be amended, upon petition of at least three (3) _____ Segment Members, the Vice Chair of the _____ Segment shall announce an _____ Segment meeting. Such announcement shall provide for at least a 30-day notice. In order to transact business at the _____ Segment meeting, there shall be a quorum consisting of at least 33% of the _____ Segment Membership. Following such meeting, the proposed resolution adopted at the meeting shall be sent out for comment, and the comments shall be distributed to all _____ Segment Members in advance of a notational vote. Any _____ Segment Member not choosing to vote shall be considered to have voted in favor of the proposed resolution. In order for a proposed resolution to take effect, it must be approved by at least 67% majority of _____ Segment Membership.

Section 19 Transitional Procedures

19.1 Initial Election of _____ Segment Directors

- A. The initial _____ Segment Directors shall be elected at the first meeting of the _____ Segment.
- B. The candidates receiving the greatest number of votes shall be elected; provided the _____ Segment Director

serving on the Board at the end of each election includes (1) at least one _____ Segment Director representing the interests of Subsegment I and (2) at least one _____ Segment Director representing the interest of Subsegment II. The Subsegment I Director requirement and the Subsegment II Director requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of a Director under WEQ Procedures Section 7.6.

- C. The initial _____ Segment Directors receiving the greatest number of votes shall serve in vacant positions having the longest term.

19.2 Initial Election of _____ Segment EC Members

- A. The initial _____ Segment EC Members be elected at the first meeting of the Segment.
- B. The candidates receiving the greatest number of votes shall be elected; provided the _____ Segment EC Members serving on the EC at the end of each election includes (1) at least one _____ Segment EC Member representing the interests of Subsegment I and (2) at least one _____ Segment EC Member representing the interest of Subsegment II. The Subsegment I EC Member requirement and the Subsegment II EC Member requirement shall not apply if such persons are not nominated for election. The election requirements of this subsection shall not be the basis for removal of an EC Member under WEQ Procedures Section 10.6.
- C. The initial _____ Segment EC Members receiving the greatest number of votes shall serve in vacant positions having the longest terms.