



# North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

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**posting**

**TO:** NAESB WEQ Formation Group Files - Posting on the NAESB Web Site  
**FROM:** Rae McQuade, Executive Director  
**RE:** Actions Taken at the NAESB WEQ Formation Meeting in Columbus, Ohio on June 20 and 21, 2002  
**DATE:** June 24, 2002

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## Actions Taken at the NAESB WEQ Formation Meeting in Columbus, Ohio June 20 and 21, 2002

**JUNE 20, 2002**

**MOTION: (B. Lawson, D. McMillan)**

Modify the agenda to remove the confirming vote on the segment definitions, and postpone the confirming vote until the approval package is complete including: segment model, segment definitions, identification and definitions of sub-segments that the quadrant supports, the number of seats per segment and sub-segment on the WEQ EC and Board, and the process for selecting segment and sub-segment representatives to the EC and Board.

**CALL FOR VOTE: (2/3<sup>rd</sup> vote of attendees)**

120 in favor to 21 opposed. PASSED.

**MOTION: (B. Jones/B. Rehman)**

Modify the agenda to permit consideration of a sixth segment for the RTO/RRO/ISO.

**CALL FOR VOTE:**

Room: 31 in favor, 36 opposed. Phone: 49 in favor, 20 opposed.

Total: 80 in favor, 56 opposed. 58.8% DOES NOT CARRY -- FAILED.

**MOTION: (S. McCoy/B. Rehman)**

Modify the order of the agenda to proceed with agenda item 8 before agenda item 4.

**MOTION CALLED OUT OF ORDER.**

**MOTION: (A. Mosher/D. Mohre)**

Motion to recess for 15 minutes. Reconvene at 11:15 a.m.

**CALL TO VOTE:** No objections noted. PASSED.

**MOTION: (B. Irish /J. Rossignoli)**

Let the segments recommend sub-segments to the WEQ formation group for approval. The WEQ formation group will provide principles to be used by the segments in recommending sub-segments. The principles should include balance and equitable representation.

**AMENDMENT TO THE MOTION: (J. Rossignoli/ J. Nasir)**

Add principles from the National Grid comments to the end of the motion: "Each segment shall have a set of internal operating procedures. Once established, each segment will formulate its own internal procedures on a consensus basis. Any group of members of a segment may agree to define and form a subsegment, provided that (a) each such subsegment must have at least four members, and (b) no member may belong to more than one subsegment of the same segment. For purposes of the formation of the internal



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segment procedures, each such subsegment must agree with a proposed procedure before it can be adopted. A subsegment is considered to 'agree with a procedure' if a majority of the members of the subsegment votes in favor of the procedure. However, as noted above, all subsegments must agree before a procedure can be approved for the segment."

**VOTING TO CALL THE QUESTION (STOPPING DEBATE):**

ROOM: 70 in favor, 0 opposed, PHONE: None in opposition PASSED.

**VOTING ON AMENDING THE MOTION:**

ROOM: 2 in favor, 67 opposed, PHONE: 1 in favor, all others opposed. FAILED.

**VOTING TO CALL THE QUESTION (STOPPING DEBATE):** (B. Irish/D. McMillan)

ROOM: 67 in FAVOR, 5 OPPOSED ,PHONE: None Opposed PASSED.

**MOTION TO RECESS and RECONVENE at 1:15 pm.**

ROOM: None Opposed, PHONE: None Opposed PASSED.

RECONVENE AT 1:15 P.M.

**MOTION: (B. Irish /J. Rossignoli)**

Let the segments recommend sub-segments to the WEQ formation group for approval. The WEQ formation group will provide principles to be used by the segments in recommending sub-segments. The principles should include balance and equitable representation.

**VOTE:**

ROOM: 59 in favor, 15 opposed, PHONE: 54 in favor, 7 opposed  
TOTAL: 113 in favor, 22 opposed, 83.7% PASSES

**MOTION: (D. McMillan/D. Mohre)**

Amend the agenda to discuss principles for defining sub-segments and logistics for holding segment meetings.

**CALL FOR VOTE (CLOSING DEBATE):** (S. Berwager/K. Sappenfield)

**VOTE:**

ROOM: 64 in favor, 2 opposed, PHONE: none in opposition PASSES

**VOTE:**

ROOM: 73 in favor, 0 opposed, PHONE: none in opposition. PASSES

**MOTION: (D. Ulch/M. Desselle)**

Adopt the principles as cited in section 2.2b of the NAESB Bylaws as the principles to be used by the segments in recommending subsegments to the WEQ formation group.

**AMENDED MOTION: (D. McMillan/J. Keller)**

The principles to be stricken from the list of principles cited in above motion are:

- Independence
- No Advocacy
- Membership Driven
- Develop Practices, Not Policy
- Incorporate Best Practices
- Broad Applicability
- ANSI Accreditation



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**VOTE TO CALL QUESTION (CLOSING DEBATE):**

No opposition in the room or on the phone. PASSES

**VOTE ON THE AMENDMENT:**

No opposition in the room or on the phone. PASSES

**MOTION AS AMENDED:** (D. Ulch/M. Desselle)

Adopt the following principles as cited in section 2.2b of the NAESB Bylaws (Openness, Voluntary, Balance of Interests, Inclusivity, Consensus-Based Decisions) as the principles to be used by the segments in recommending subsegments to the WEQ formation group.

**AMENDMENT TO THE AMENDED MOTION:** (D. Mohre/D. McMillan)

Adopt the following principles as cited in section 2.2b of the NAESB Bylaws (Openness, Voluntary, Balance of Interests, Inclusivity – including appropriate representation of distinct industry interests on the Board and EC, Consensus-Based Decisions) as the principles to be used by the segments in recommending sub-segments to the WEQ formation group.

**CALL THE QUESTION** (M. Desselle/B. Irish):

No objections in the room. No objections on the phone. PASSES

**VOTE ON THE AMENDMENT TO THE AMENDED MOTION** (shown in highlighted yellow):

Room: 25 in favor, 42 opposed, Phone: 49 in favor, 12 opposed.

Total: 74 in favor, 54 opposed. 57.8 % FAILED

**AMENDED MOTION:** (D. McMillan/D. Mohre)

Adopt the following principles as cited in section 2.2b of the NAESB Bylaws (Openness, Voluntary, Balance of Interests, Inclusivity, Consensus-Based Decisions) as the principles to be used by the segments in recommending sub-segments to the WEQ formation group.

**MOTION TO CALL QUESTION AND CLOSE DEBATE:** (L Clarke/M. Desselle)

VOTE: Room 56 in favor, 12 opposed. Phone: 25 in favor, 31 opposed. 65.3% FAILED

**AMENDMENT TO THE AMENDED MOTION:** (J. Anderson/D. Barney)

The openness principle should be modified to strike the language below:

Openness -- NAESB should conduct its activities in the open. Openness should apply to all aspects of its organizational governance, elections and Standards or Model Business Practices development processes, including work products and related meetings. The meetings, agendas and items set for discussion and/or possible vote should be publicly noticed, and interested parties, regardless of membership should have the opportunity to participate.

**MOTION TO CALL QUESTION AND CLOSE DEBATE** (B. Irish/M. Desselle)

VOTE: 67 in favor, 1 opposed. Phone: no opposition. PASSED

**VOTE ON AMENDMENT TO THE AMENDED MOTION:**

ROOM: 0 in favor, 56 Opposed, PHONE: 0 in favor, FAILS

**MOTION TO CALL QUESTION AND CLOSE DEBATE:** (M. Deselle/D. Litton)

ROOM: 64 in favor, 0 opposed, PHONE : No Opposition -- PASSES

**MOTION ON THE AMENDED MOTION:**

ROOM: 60 in favor, 11 opposed, PHONE: in favor, 51 opposed FAILED



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**MOTION to RECESS FOR 5 MINUTES:** (J. Simonelli/B. Irish)

VOTE: None in opposition in the room or on the phone

PASSES

**MOTION:** (A. Mosher/C. Bogorad)

The principles governing the segment discussions in recommending sub-segments should include:

- (1) Each distinct industry interest should be represented on the EC and Board.
- (2) Where there are distinct interests in a segment, there should be enough sub-segments within each segment to ensure that each sub-segment has ability to join with some but not all other sub-segments in the segment to exercise a segment veto.

**POINT OF ORDER** – Is the above motion valid as the below motion failed?

Adopt the following principles as cited in section 2.2b of the NAESB Bylaws (Openness, Voluntary, Balance of Interests, Inclusivity – **including appropriate representation of distinct industry interests on the Board and EC**, Consensus-Based Decisions) as the principles to be used by the segments in recommending sub-segments to the WEQ formation group.

**MOTION WAS DECLARED OUT OF ORDER.** No one on the prevailing side asked for reconsideration of the failed motion.

**MOTION:** (A. Mosher/C. Bogorad)

The principles governing the segment discussions in recommending sub-segments should include: “Where there are distinct interests in a segment, there should be enough sub-segments within each segment to ensure that each sub-segment has ability to join with some but not all other sub-segments in the segment to exercise a segment veto.”

**WITHDRAWN.**

**MOTION TO ADJOURN:** (Mosher/Lawson)

VOTE: ROOM: 36 in favor, 25 opposed. PHONE: 1 opposed, 28 in favor

TOTAL: 64 in favor, 26 opposed. PASSES

**JUNE 21, 2002**

Two-minute discussion rule suspended until 8:45 am -- No objection. Presentation made by D. Mohre/D. McMillan describing caucus results from June 20 evening discussions:

**EXAMPLE OF DISCUSSIONS OF POSSIBLE SUB-SEGMENTS:**

TRANSMISSION (1):	CONSUMER OWNED	1
	FED	1
	ITC	1
	IOU	3
TRANSMISSION (2):	MUNI/COOP/FED	1
	RTO/ISO/RRO	1
	ITC	1
	IOU	1
	AT LARGE	2
TRANSMISSION (3):	MUNI/COOP/FED	1
	RTO/ISO/RRO	1
	ITC	1



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	IOU	2
	AT LARGE	1
GENERATION (1):	CONSUMER OWNED	1
	FED	1
	EXEMPT WHOLESALE GENERATOR	1
	NON-EXEMPT WHOLESALE GENERATOR	1
	AT LARGE	2
POWER MARKETING (1):	CONSUMER OWNED	1
	AT LARGE	5
LSE/DIST (1):	CONSUMER OWNED	2
	INVESTOR OWNED	2
	VERTICALLY INTEGRATED UTILITY	1
	TRANSMISSION DEPENDENT UTILITY	1
END USE (1):	AT LARGE	6

### **VOTING PRINCIPLE DISCUSSED:**

Specific sub-segment members vote to elect their sub-segment representatives. At large seats are voted on by the segment members as a whole.

### **EXAMPLES THAT WERE SPECIFICALLY DISCUSSED AT JUNE 20 EVENING CAUCUS: (J. Nasir):**

Transmission:	Munis/Coops/Fed	2
	VIU	2
	ITC	2
Distribution/LSE	Consumer Owned	2
	VIU	2
	TDU	2
Generators (1):	EWG	2
	Non-EWG	2
	Muni/Coop/Fed	2
Generators (2):	EWG	1
	Non-EWG	1
	Muni/Coop	1
	Fed	1
	At Large	2
Marketing (1):	Muni/Coop	1
	VIU	1
	At Large	4
Marketing (2):	Muni/Coop	1
	At Large	5
End User:	At Large	6



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**MOTION:** (M. Desselle/D. Linton)

Adopt the principles discussed by D. Mohre/D. McMillan. PRINCIPLES: (1) No single business interest can by itself pass a standard. (2) All appropriate interests are represented. (3) No sub-segment may alone block action.

**MOTION TO CALL QUESTION** (J. Nasir/S. Corneli)

VOTE: ROOM: No Objection, PHONE: No objection. PASSES

**VOTE:** ROOM 66 in favor, 0 opposed. PHONE: no votes on opposition. PASSES.

**MOTION:** (B. Irish/No Second)

No meeting in Washington is necessary. At the next meeting, convene immediately to the segment caucuses to permit sub-segments to be defined and recommended to the WEQ formation group.

This motion was determined out of order. Mr. Desselle had a second part of the above motion which should be considered first.

**MOTION:** (M. Desselle/D. Linton)

Charge a smaller representative group or groups of interested parties to develop a proposal for defining sub-segments based on the above Dave/Dave discussion, for consideration at the next meeting of the WEQ formation group through a caucusing of segments. This smaller group or groups may meet in a face-to-face meeting in Washington. Note: any report should be provided no later than July 2.

**CALL THE QUESTION** (M. Desselle/A. Mosher)

VOTE: ROOM: 46 in favor, 3 opposed; PHONE: no objections. PASSES.

**VOTE:** ROOM: 36 in favor, 24 opposed, PHONE: 50 in favor, 7 opposed. Total 86 in favor, 31 opposed - PASSES.

**MOTION:** (A. Johnson/D. McMillan)

For the WEQ representation, there should be 6 seats per segment for the Board and 6 seats per segment for the EC.

No further discussion. No objection to closing debate.

**VOTE:** ROOM: No opposition, Phone: no opposition. PASSES.

**DISCUSSION ON Agenda Item 7:** Status Report to be prepared by NAESB and filed with FERC.

**DISCUSSION ON Agenda Item 8:** ISOs/RTOs/RROs role in the organization - NYISO et al letter and comments note that they do not fit in the existing segment definitions and have a key role in other than the transmission segment. Others disagree. Because of the inherent risk taken by the ISOs/RTOs/RROs in the market, they should be included in the NAESB organization. One possibility would be for the ISOs/RTOs/RROs to join the organization within an existing segment as a voting member, or to participate within an advisory council role. It may be necessary to separate the ISOs/RTOs/RROs so that the ISOs/RTOs are considered separately from the RROs, who may participate via NERC. ISOs/RTOs should be able to join whichever segments for which they have legitimate business interests.

**MOTION:** Defer agenda items 9 & 10 until the July 9/10 meeting.



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Motion Passes unanimously.

**Discussion on Next Meeting:** The Parliamentarian will supply a one page sheet on basic meeting rules. This will be provided prior to the July 9-10 meeting. Mr. Mosher asked that the 4 bullets (on page 3) from the APPA comments be added to the July 9/10 agenda for discussion purposes.

**MOTION TO ADJOURN** (B.Lawson/B.Irish)

No opposition from meeting attendees or phone participants. PASSED.