



# North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@aol.com](mailto:naesb@aol.com)

Home Page: [www.naesb.org](http://www.naesb.org)

---

**TO:** NAESB Members and Interested Industry Participants  
**FROM:** Rae McQuade, Executive Director  
**RE:** Wholesale Electric Quadrant Meeting Notes  
**DATE:** July 9, 2002

---

## Actions Taken on July 9, 2002

### RESULTS OF CAUCUS

Caucus Report Presented by M. Desselle:

IOU Definition: An investor owned entity who has substantial business interest in owning and/or operating any two of the following three asset categories - -- generation, transmission, distribution.

Generation:	Muni/Coop	1
	Fed/State/Provincial	1
	IOU	2
	Merchant	2
Transmission:	Muni/Coop	1
	Fed/State/Provincial	1
	IOU	2
	ITC	2
Distribution/LSE:	Muni/Coop	2
	IOU	2
	Competitive Retailer	1
	(not available to muni/coop, IOU or IOU affiliates)	
	Other	1
(not available to muni/coop, IOU or IOU affiliates)		
Marketers/brokers	Muni/Coop	1
	Fed/State/provincial	1
	Not IOU affiliated	2
	IOU Affiliated	2
End user	End Use (also in another segment)	1
	Regulator	1
	Residential/Commercial	1
	Large Industrial (not in other segments)	2
	End Use (Self Generation)	1

### Procedural Elements:

1. Entities may participate in multiple segments within WEQ.



## North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@aol.com](mailto:naesb@aol.com)

Home Page: [www.naesb.org](http://www.naesb.org)

---

2. "Sunrise" – sub-segment principles will continue. Sub-segments may be revisited at any time, but no later than three years. Changes to sub-segments require 75% affirmative from with segment, subject to other minimum participation and deadline requirements. [Statement removed on state consumer advocate offices being exempt from fixed annual payment requirement.]
3. [This item removed when report was accepted.] RTO/ISO/IMO participation – All RTOs/ISOs and comparable Canadian entities are strongly encouraged to participate in the standards drafting process from conception through drafting to the ratification stage. Furthermore, a Technical Advisory Council comprising those entities will be formed to provide technical support and counsel to the NAESB Board and EC. The Council will have the obligation to provide a technical assessment, evaluation and recommendation to the EC on all standards relevant to the grid system and RTO market operations. Furthermore, the Council has an affirmative obligation to apprise the EC of a given standard's feasibility.
4. Fixed Annual Payment. All WEQ participants will pay a fixed annual payment. Annual payment should provide for required budget to administer the process to develop standards. Exceptions must be approved by the NAESB Board.
5. Sub-segment population. NAESB WEQ will establish minimum number for populating sub-segments within a segment, including a deadline for such population.
6. Consultants. Contract consultants may be considered as an option for standards drafting, contingent on identification of need and availability of sufficient funding.
7. Final comprehensive affirmation. This vote will reflect only the elements of this settlement. No changes of any kind can be made to this agreement without prior agreement of parties.

**MOTION** (H. Shafferman/C. Glazer)

Amend the above package to include a sixth segment for the jurisdictional RTOs and ISOs with full voting rights.

**CALL THE QUESTION:** (G. Ogenyi/B. Irish) No objection voiced on either the phone or in the room.

**VOTE: FAILS.** Total (24 in favor, 96 opposed). 2/3rds needed to pass the motion. Vote results -- In the room – 23 in favor, 58 opposed, on the phone – 1 in favor, 38 opposed.

**MOTION** (S Dayney/M. Desselle)

Suspend the rules to take a confirming vote on the package shown above excepting item number 3.

**VOTE TO SUSPEND RULES: PASSES.** In the room: (show of hands) 69 in favor, 2 opposed, no objections on the phone.

**MOTION:** (M. Desselle/S. Dayney)

Take a confirming vote on the package shown above excepting item number 3.



## North American Energy Standards Board

1100 Louisiana, Suite 3625, Houston, Texas 77002

Phone: (713) 356-0060, Fax: (713) 356-0067, E-mail: [naesb@aol.com](mailto:naesb@aol.com)

Home Page: [www.naesb.org](http://www.naesb.org)

---

**AMENDMENT TO THE MOTION** (K. Sappenfield/J. Cox)

Remove the sub-segments listed for the marketers/brokers and all seats should be listed as "At Large".

**CALL THE QUESTION** (D. McMillan/G. Ogenyi)

VOTE: No objections on the phone or in the room.

**VOTE on the AMENDMENT: FAILS.** 2/3rds vote required to pass. In the room: 8 in favor, 60 opposed, on the phone: none in favor, all are opposed.

**CALL THE QUESTION ON THE ORIGINAL MOTION** (B. Lawson/S. Corneli)

**VOTE: PASSES.** In the room, 70 in favor, no opposition. On the phone, 1 in opposition, all other in favor.

**VOTE ON ORIGINAL MOTION: PASSES.** In the room 74 in favor, 3 opposed. On the phone: no opposition.

Note: Where do services fit?

**MOTION:** (C. Glazer/J. Hawks)

A sixth segment consisting of jurisdictionally approved RTOs and ISOs be added, which also includes Canadian entities. The segment would have (1) six board and EC seats and be able to vote on standards, but (2) would waive its right to a single segment veto of standards, and (3) the WEQ's portion of the NAESB annual plan would be approved by a majority of the EC members of the sixth segment prior to forwarding the plan to the board for ultimate approval. By this motion, the RTO/ISO segment waives the right to request the formation of the Technical Advisory Council, as so described in the motion of the NAESB Board of June 28, 2002, unless or until there is an overall review of the NAESB governance process.

**AMENDMENT TO THE MOTION:** (D. McMillan/C. Yeung)

Add language to motion to note that the RTOs and ISOs waive the right to form a Technical Advisory Council as noted in the 6-28-02 NAESB Board Meeting. Both the mover and the seconder approve the language and as such the language has been incorporated in the above motion: "By this motion, the RTO/ISO segment waives the right to request the formation of the Technical Advisory Council, as so described in the motion of the NAESB Board of June 28, 2002, unless or until there is an overall review of the NAESB governance process."

**MOTION:** (C. Bogorad/M. Desselle)

Recess and consider the above motion at 9:00 a.m. July 10.

**VOTE:** No objections in the room, no objections on the phone.