



North American Energy Standards Board

1301 Fannin, Suite 2350, Houston, Texas 77002

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Home Page: www.naesb.org

March 9, 2007

TO: Gordon Van Welie (ISO-NE), Phil Harris (PJM), Mark Lynch (NY ISO), Kevin Burns (TranServ), Bill Marshall (New Brunswick System Operator), Paul Murphy (IESO), Dale McMaster (AESO), Yakout Mansour (Cal ISO), Nick Brown (SPP), Sam Jones (ERCOT), Graham Edwards (Midwest ISO)

cc: Michael Desselle, Bill Boswell, Laura Kennedy, Denise Rager, Michael Calimano, Bill Phillips, Alicia Daugherty, Ray Giuliani, Bill Blevins, Carl Monroe, Veronica Thomason

FROM: Rae McQuade

RE: Request for Candidates for the Board Seats and the Executive Committee Seats for the New Wholesale Electric Quadrant Independent Grid Operators/Planners Segment

Dear All,

We are beginning the request for candidates today for the newly formed Wholesale Electric Quadrant Independent Grid Operators/Planners Segment. If you are interested in serving on either the Board or the Executive Committee as a member of the IGO segment, please inform the NAESB office by April 13. You can do so by calling or emailing Denise Rager (713-356-0060, drager@naesb.org). As others join the IGO segment during the thirty-day nomination period and become NAESB members with dues current, they can also self nominate for one of the Board or EC seats. If you have any questions on the membership process or the election process, also feel free to contact Denise.

As a member, your organization will be eligible for both the Board and the EC, but the same individual cannot hold both seats. At the end of the nomination period, if there are eight or more candidates for the seven seats on each of the Board and EC, we will run an election. The members of the IGO segment are the voting body for these Board and EC seats. Each member will receive a ballot to vote for the seven nominees they would support for the seats for each governing body. The election would be held from April 16 to April 30. If no election is required, the announcement will be made on April 16.

A link to our new quadrant procedures is provided here¹ for your convenience. We look forward to working with you in this new capacity, and if you have others that you would like added to the notification when the nomination period begins for the open seats on the Board and EC, please feel free to provide that information to me.

In addition, should you have any questions on NAESB or this process, please do not hesitate to call. With three active dockets at the FERC for NAESB WEQ standards (Docket Nos. RM05-5-000, RM05-17-000, RM05-25-000), of which Docket No. RM05-5-000 now mandates compliance with NAESB standards (Order 676), NAESB is clearly relevant to the wholesale electric market. Membership and leadership in NAESB brings opportunities to shape the standards development work products and the overall direction of the organization. Please let us know if you have some individuals that you would like us to contact regarding not only membership but also for interest in these vacant seats on the Board or EC.

Feel free to contact our office if you need any other information.

With Best Regards,

Rae McQuade

Rae McQuade, President
North American Energy Standards Board

¹ The Wholesale Electric Quadrant Procedures can be accessed: http://www.naesb.org/pdf/weq_quadrant_procedures.doc from the NAESB web site.



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CONSIDERATIONS

BACKGROUND & STATUS: The NAESB process to create the new Wholesale Electric Quadrant Independent Grid Operators/Planners² segment was concluded on February 2 of this year, and on February 5, NAESB noticed and posted that the segment had been created. In addition, NAESB informed the leadership and contacts of all groups that might be interested in joining the segment and were eligible as members of the IGO segment. Since that time, NAESB has received two applications (Cal ISO, PJM) with invoices sent out, and has had five members join the segment as members. Now that NAESB has five active members³ in the new segment, the office can begin the process for populating the seven board seats and seven executive committee seats. The five active members are SPP, ERCOT, Midwest ISO, NY ISO and TranServ. As others join the IGO segment during the thirty-day nomination period and become NAESB members with dues current, they can also self nominate for one of the Board or EC seats.

PROCESS: Typically, the process for nominating and electing members to serve on these seats follow a schedule of (1) a two-week nomination period where members self-nominate, (2) a two-week election period if any seats are contested. The voters in a contested race are comprised of the members of the segment, (or subsegments in the case they are defined for a segment). Since this is a new segment, it was agreed to extend the nomination period to a full month to permit those considering membership to have additional time to complete the membership application and submit the membership dues. With this in mind, the request for nomination of candidates is sent out on March 9 to be due on April 13. If there are contested seats (more than 7 nominees for either the Board or the Executive Committee), the election would be held from April 16 to April 30. If there are less than seven nominees for either body, then the vacancies will remain until there is sufficient interest to run an election to fill the seats. For any assistance in membership issues, please call Denise Rager (713-356-0060, drager@naesb.org). Should you need a status on where the process stands at any time, also contact Ms. Rager.

ELIGIBILITY FOR A BOARD OR EXECUTIVE COMMITTEE SEAT IN THE IGO SEGMENT: To be considered candidates for either the Board or the Executive Committee, an individual must be an active member of the IGO segment-- that is, a member in good standing with dues current. Similarly, to vote in an IGO election, an individual must be an active member of the IGO segment.

BOARD OR EXECUTIVE COMMITTEE? As new members are deciding whether to run for an EC seat or a Board seat or both, the differences in being seated as a Board member or an EC member may prove helpful. A member company can hold both Board and EC seats, but not by the same individual. For the nominations and elections, while an individual can only hold either a Board or an EC seat, he can nominate and be considered for both -- if he wins both, then the Board seat prevails.

- **BOARD:** For the Board members, the Board acts wholly as a group considering Board issues for wholesale and retail gas and electric. The Board members are exposed to all aspects of NAESB at a strategic level. They control our annual plans. The board controls all governing aspects of the organization, (changes to the certificate, bylaws and standard operating practices). Board members cannot have proxies or alternates. The Board meets quarterly and members can participate in person or by phone. Board meetings for 2007 are March 22, June 28, September 27 and December 13.
- **EXECUTIVE COMMITTEE:** For the Executive Committee, unless a standard is assigned to multiple markets (wholesale and retail gas and electric), each interest operates independently but follows the same operational rules. The Wholesale Electric Quadrant Executive Committee would address all standards development issues to which it had been assigned through the annual plan or through requests related to the annual plan. It does not address any procedural matters -- only standards development and maintenance issues and after work products are forwarded from subcommittees, it votes on standards, which are then ratified by the membership. EC members can have designated alternates that can sit in for an absent EC member or vacancy if they are members of that segment/subsegment. The EC meets quarterly and members can participate in person or by phone. Wholesale Electric Quadrant EC meetings schedule for 2007 is February 6, May 8, August 14 and November 6, and the EC may choose to schedule additional meetings or conference calls as necessary.

OTHER RELEVANT INFORMATION:

- For a packet of materials explaining membership benefits, please contact Ms. Rager.
- Current rosters for the Executive Committee and the Board can be found on the NAESB web site: http://www.naesb.org/pdf/ec_terms.pdf, http://www.naesb.org/pdf2/bod_terms.pdf

² Independent Grid Operators/Planners are defined as any entity in North America authorized by an appropriate governmental authority to operate as a regional transmission organization, independent system operator, independent tariff administrator or independent planning entity and which does not have a business or financial interest in any other WEQ segment.

³ Active members are companies who have completed the NAESB membership applications and have submitted the annual dues.