



NORTH AMERICAN ENERGY STANDARDS BOARD

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TO: NAESB Membership
FROM: Michael Desselle, Chairman and Rae McQuade, President
RE: Recent Board Actions

Dear Members,

At our Board meeting last week, several actions were taken to improve the financial health of the organization, to increase the efficiency of standards development, and to address the issue of vacancies in segments as they impact Board and Executive Committee (EC) voting on items requiring super-majority votes.

First, the Board addressed the ongoing financial well being of the organization. Overall, in order to reach the desired degree of financial health and ability to respond to all appropriate challenges, the Board endorsed a three-prong approach, to fund some of the target through dues increases, some through increases in the prices for NAESB products for non-members, and some through aggressive growth targets in membership. As for the first prong, the Board unanimously endorsed an increase of the membership dues from \$5000 to \$6500, effective January 1, 2009. This action was taken to improve the financial well being of the organization with the recognition that NAESB continues to address standards development of an increasingly complex nature. Dues have not been raised since 1996; and to put this in perspective, the change in the dues amount represents a 1.9% increase over the years. Expenses will continue to be scrutinized to support the most cost effective means for standards development. In addressing the second prong and to reflect better the cycle cost of developing the standards, the fees for work products for non-members will see an increase as well, much more substantial in percentage terms. The costs to the non-members for these work products will still be subsidized by membership but not at the current level. In an effort to be more environmentally aware and to further reduce costs, the standards previously offered on paper media will now only be made available on electronic media instead. The third financial prong, membership, is being aggressively addressed by your Resources Committee, and ideally will be enhanced by expanded and increasingly sophisticated copyright protection for NAESB work product. The Board felt it was particularly important to follow these multiple avenues, rather than simply asking the existing membership to fund 100 percent of the target.

Second, the Board addressed a recommendation of a Board committee regarding the efficiency of standards development in NAESB. As we become more efficient, both the time spent developing standards and the related development cycle costs to NAESB and all of its volunteers will be reduced. The policy was unanimously endorsed by the Parliamentary Committee, the Managing Committee and the Board itself; and can be found at the following link: <http://www.naesb.org/pdf3/bd092508a2.doc>.

Third, the Board addressed the issue of Board or EC vacancies impacting the super majority voting provisions for standards adoption at the EC level and governance issues at the Board level. Changes were made to the NAESB Certificate and Bylaws and can be reviewed at the following links: certificate redlined changes (<http://www.naesb.org/pdf3/parliamentary090908a1.doc>) and bylaws redlined changes (<http://www.naesb.org/pdf3/parliamentary090908a2.doc>). The proposed changes were driven by unanimous recommendations of the Board Committee that proposed the standards efficiency proposals, and were unanimously endorsed by the Parliamentary Committee and the Managing Committee. The changes were also were unanimously supported by those Board members present or returning notational ballots. The notational balloting period is still open, but we have received no negative votes to date. After the notational balloting period concludes, should both the certificate and bylaws changes be approved, the certificate will require membership ratification before the changes can take effect.

As you can see, the September 25th Board meeting was important on many levels – offering changes to our governance documents to improve the timely decision making of both the Board and EC, improving the efficiency of the standards development process, and taking steps to secure the financial well being of our organization.

NAESB is a member-driven organization, and your participation and membership is crucial to our credibility and the applicability of our work products. We want to thank the Board for taking these steps to make us a stronger organization. As important, we thank you as our members for providing the foundation, and then the guidance from which to build standards helpful to the industry.

With Best Regards,

Michael D. Desselle
Chairman, NAESB

Rae McQuade
President, NAESB