North American Energy Standards Board

Bylaws Addendum

Exhibit 4

Retail Electric Quadrant Procedures
Section 1 – DEFINITIONS

Section 1.1 Definitions Included in the NAESB Bylaws

All capitalized terms, if not defined in Section 1.2, shall have the same definitions as specified in the NAESB Bylaws and Certificate of Incorporation.

Section 1.2 Definitions for the Purposes of this Exhibit

A. "NAESB Office" means the administrative office of the Secretary of NAESB.
B. "REQ" means the Retail Electric Quadrant.
C. "Designated Alternates" is defined as a person named by a Segment of the Retail Electric Quadrant, submitted to the NAESB office, to serve in place of a REQ EC Member who is unable to attend an EC meeting.
D. "REQ EC" means the Executive Committee of the REQ.
E. "REQ Members" means the Voting Members of the Retail Electric Quadrant, of NAESB that satisfy the requirements of membership set forth in Section 5.1.
F. "REQ Segment" means one of the three co-equal Segments of the Retail Electric Quadrant of NAESB.

Section 2 – PURPOSES, SCOPE, ACTIVITIES, AND POLICIES

Section 2.1 Purpose, Scope & Activities

A. Purpose

The purpose of the REQ of NAESB is to propose, develop and adopt voluntary model business practices or standards to promote more competitive, efficient and reliable service in the retail electric industry.
B. Scope & Activities

The REQ is concerned with and tasked to handle electric related issues and practices that are within the scope of NAESB and typically addressed at the retail electric distribution level. The REQ shall work closely with other NAESB Quadrants to mitigate inconsistencies where proposed standards and model business practices affect those other Quadrants.

Section 2.2 Policies

The Retail Electric Quadrant shall comply with the policies and procedures laid out in the NAESB Bylaws and the Certificate of Incorporation.

Section 2.3 Segment Organization

Each prospective Member shall declare the Segment with which they are to be identified. What follows is a description of the REQ organizational structure, including a listing of REQ Segments.

A. Service Providers/Suppliers

Persons engaged in the competitive sale of electricity and/or capacity to end users including marketers, aggregators and producers or that provide services to participants in the retail electric industry, including equipment manufacturers, equipment and service vendors, software providers, energy consultants, and other companies or individuals not otherwise eligible for membership in another Segment.

B. Utilities

Persons engaged in the local distribution of electricity.
C. End Users/Public Agencies

Persons that consume electricity, represent consumers of electricity or are employed by a public agency associated with the retail electric industry.

Section 3 – RESERVED

Section 4 – RESERVED

Section 5 – REQ MEMBERS

Section 5.1 REQ Voting Members

Membership and voting rights in the REQ of NAESB shall be open to any person that meets the following requirements:

A. The person has a significant business interest\(^1\) in the retail electric market (or is a representative or Agent of such person), as determined by a simple majority of the Segment Membership, if challenged.

B. Representatives designated by any person in any Segment should have the authority to represent the interests of the person seeking to be a Segment Member.

C. Memberships in multiple Segments of the REQ are permissible for any person provided each membership is filed and declared with NAESB and the person meets the membership requirements of each Segment joined.

D. Only one membership per Segment is permissible for any person.

\(^1\) As used in this section, "significant business interest" specifically includes the interests of statutorily appointed consumer advocates.
E. The person may be a trade association or an advocacy group representing a group of prospective members.

Section 5.2 Removal of Members

Segment Members who do not have a significant business interest pertaining to the descriptions contained in Section 2.3 may be removed from Segment Membership by a simple majority vote of their declared Segment Membership.

Section 6 – RESERVED

Section 7 – BOARD

Section 7.1 Board Representation

The REQ shall elect Directors to the Board from each Segment in accordance with Section 7.3.

Section 7.2 Qualifications of Directors

A. Eligibility

To be eligible to serve as a representative on the NAESB Board of Directors, the Member's representative must:

1. be willing to commit the time and resources necessary;
2. have the authority to fulfill the obligations as a REQ Director;
3. be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 9.7(f), and any other applicable provisions, as set forth in the NAESB Bylaws;
4. have a broad understanding of the electric industry and have sufficient authority to make decisions on behalf of the organization represented; for example, a representative of a corporate entity should ideally be an executive of that corporation;

5. have a working knowledge of the NAESB process; and

6. disclose their interest, or their employer's interest, in the electric industry and the relationship with other entities with which the employer may be affiliated.

Section 7.3 Number and Election of Directors

A. Number of Directors

The REQ shall elect twelve (12) NAESB Directors and each Segment of the Quadrant will elect four (4) Directors.

B. Election of Directors

Nominations for and election of all Directors will be as follows:

1. When Directors’ terms approach expiration the NAESB office will ask those Board members if they will consider an additional term.

2. The NAESB office will send out a request for candidates letter to all Members of the Segment for the open seats or seats with term limits. In that communication, if the existing Board member is interested in holding the seat or if other Segment Members have noted their willingness to be considered as a candidate, they are so noted as candidates.

3. The nomination period is a minimum of two weeks but can extend to one month. Interested Members of the Segment for the seat in question can self-nominate or nominate others through communication to the NAESB office.
4. If there are contested seats, an election is held for a period of two weeks. Members of the Segment are eligible to vote and receive a ballot via email.

5. The ballot can be forwarded to the office in email or fax communication. The tally takes place at the conclusion of the balloting period, and the candidate receiving the most votes wins.

6. In case of a tie, the candidates are approached to resolve the matter.

7. For vacancies, the same steps noted above are followed with the exception that the existing Board member is not approached to determine if he is interested in serving additional terms.

**Section 7.4 Term of Office**

A. Terms

Directors shall be elected for two-year terms, with half of the terms expiring in alternating years.

1. Two Directors will be elected from each Segment each year to fill expiring terms.

2. Group A Director terms will expire in odd numbered years.

3. Group B Director terms will expire in even numbered years.

4. Term expiration will be in conjunction with the end of the operating year of NAESB or as otherwise defined by the Board, Certificate of Incorporation or Bylaws, as amended.

B. Limit on Number of Terms of Office

Directors elected from the REQ may run for re-election without restriction on the number of terms held.
C. Change of Affiliation

In the event that the Director

1. changes affiliation to another Member within the same industry Segment, the Director's term will continue until its natural expiration, provided that there is no other Director already representing the Director's new affiliation, in which case the Director changing affiliation will vacate the seat for election of a new Director;

2. is no longer affiliated with the electing industry Segment, the Director will vacate the seat for election of a new Director.

Section 7.5 RESERVED

Section 7.6 Removal of Directors

In addition to being subject to removal from office by the NAESB Board of Directors, Directors may also be removed from office for cause. The REQ Segment shall give the Director at least a 30-day notice of the proposed action and an opportunity to respond. A 67% majority of the applicable REQ Segment Membership shall be required to remove a Director.

Section 8 – RESERVED

Section 9 – RESERVED
Section 10 – EXECUTIVE COMMITTEE

Section 10.1 EC Representation

The REQ shall elect representatives to the EC from each Segment in accordance with Section 10.3.

Section 10.2 Qualifications of REQ EC Members

A. Eligibility

To be eligible to serve as a representative on the REQ EC, the representative must:

1. be willing to commit the time and resources necessary;
2. have the authority to fulfill the obligations as a REQ EC Member;
3. be willing to meet the minimum threshold of participation and attendance established in the NAESB Bylaws, Section 9.7(f), and any other applicable provisions, as set forth in the NAESB Bylaws;
4. have a broad understanding of the electric industry and have sufficient authority to make decisions on behalf of the organization represented; for example, a representative of a corporate entity should ideally be in senior leadership of that corporation;
5. have a working knowledge of the NAESB process; and
6. disclose their interest, or their employer's interest, in the electric industry and the relationship with other entities with which the employer may be affiliated.

Section 10.3 Number and Election of REQ EC Members

A. Number of EC Members

The REQ shall elect twelve (12) EC Members and each Segment of the Quadrant will elect four (4) Representatives.
B. Election of EC Members

Nominations for and election of all EC Members will be as follows:

1. When Representatives’ terms approach expiration the NAESB office will ask those EC Members if they will consider an additional term.

2. The NAESB office will send out a request for candidates letter to all Members of the Segment for the open seats or seats with term limits. In that communication, if the existing EC Member is interested in holding the seat or if other Segment Members have noted their willingness to be considered as a candidate, they are so noted as candidates.

3. The nomination period is a minimum of two weeks but can extend to one month. Interested Members of the Segment for the seat in question can self-nominate or nominate others through communication to the NAESB office.

4. If there are contested seats, an election is held for a period of two weeks. Members of the Segment are eligible to vote and receive a ballot via email.

5. The ballot can be forwarded to the office in email or fax communication. The tally takes place at the conclusion of the balloting period, and the candidate receiving the most votes wins.

6. In case of a tie, the candidates are approached to resolve the matter.

7. For vacancies, the same steps noted above are followed with the exception that the existing EC Member is not approached to determine if he is interested in serving additional terms.
Section 10.4  Term of Office

A. Terms

EC Members shall be elected for three-year staggered terms of office and will end in conjunction with end of the operating year of NAESB or as otherwise defined by the Board of Directors, Certificate of Incorporation or Bylaws, as amended.

B. Limit on Number of Terms of Office

EC Members from the REQ may run for re-election without restriction on the number of terms held.

C. Change of Affiliation

In the event that the EC Member

1. changes affiliation to another Member within the same industry Segment, the EC Member's term will continue until its natural expiration, provided that there is no other EC Member already representing the EC Member's new affiliation, in which case the EC Member changing affiliation will vacate the seat for election of a new EC Member.

2. is no longer affiliated with the electing industry Segment, the EC Member will vacate the seat for election of a new EC Member.

Section 10.5  Vacancies

In the event that an EC Member resigns or otherwise vacates the seat, and more than 120 days remain in the term of office, the Segment will hold an election within 60 days to fill the vacant seat, and a Designated Alternate will serve until a new EC Member is elected.
Section 10.6 Removal ofREQ EC Members

In addition to being subject to removal from office by the NAESB Board of Directors, EC Members may also be removed from office for cause. The REQ Segment shall give the EC Member at least a 30-day notice of the proposed action and an opportunity to respond. A 67% majority of the applicable REQ Segment Membership shall be required to remove an EC Member. The vacant seat is to be refilled in accordance with the requirements of Section 10.5.

Section 10.7 Designated Alternates

A. Authority

Any person presenting themselves at an EC meeting as a Designated Alternate will be accepted as a participant provided that:

1. An EC Member from that Segment either indicates to the NAESB Office, EC Chair or Vice-Chair that they will be absent, or is in fact absent and remains absent, and

2. The name of the Designated Alternate is on a list of approved Designated Alternates selected by the appropriate Segment Membership, and on file with the NAESB Office.

B. Election of Designated Alternates

Each Segment will annually select Designated Alternates.

Section 10.8 EC Meetings

A. REQ EC Meetings

REQ EC meetings shall be held at times and locations determined by the Chair or Vice-Chair of the REQ EC. EC Members may participate and vote by means of tele-
conference or other electronic means unless in-person attendance is required of all EC Members by both the Chair and Vice-Chair of the EC, and subject to the attendance requirements of Article 10, Section 10.4(j) of the Bylaws.

B. Joint EC Meetings

In the event that the EC of the REQ meets jointly with an EC of another NAESB Quadrant, the choice of Quadrant EC Chair presiding over the joint meeting will be determined by the precedence established in the order of rotation of EC Vice-Chairs as specified in the NAESB Bylaws.

Section 10.9 EC Subcommittees

A. Establishing Subcommittees & Task Forces

The EC of the REQ shall set up its own subcommittees and task forces to deal with REQ-specific issues. The EC may establish voluntary standing subcommittees or special purpose task forces to perform various functions required of the organization.

1. The Executive Committee will prepare a written statement of the purpose of the subcommittee or task force and the tasks to be performed, name the subcommittee or task force, and appoint a Temporary Chair.

2. The Temporary Chair will be a Member of the EC willing to perform the required startup tasks and to continue chairing the subcommittee / task force if elected by the Members after its first meeting.

3. The Temporary Chair shall

   a) set up the first meeting of the subcommittee or task force.

   b) prepare a meeting notice that:

      (i) states the name and purpose of the subcommittee / task force,
(ii) solicits participation in the subcommittee / task force, and

(iii) announces the agenda for the first meeting.

c) post the meeting notice to all Members and non-members via the NAESB website.

d) post the notice at least two weeks prior to the meeting date. Shorter time periods for notices of subsequent meetings will be permitted by a 75% vote of the participants attending a duly scheduled meeting.

4. All meeting notices shall be posted on the NAESB website and transmitted in writing, facsimile, or other electronic means to parties who have indicated an interest in the duly scheduled meeting.

B. Meeting Minutes

In the event that an individual from the NAESB Office is unavailable to take minutes, the Chair of any subcommittee / task force meeting will designate an individual to take minutes and forward them to the NAESB Office.

C. Reporting

Each EC subcommittee or task force will report to the EC at no less than quarterly intervals, on a schedule to be defined by the EC for as long as the subcommittee or task force continues to exist.

Section 11 – RESERVED

Section 12 – RESERVED

Section 13 – RESERVED
Section 14 – RESERVED

Section 15 – RESERVED

Section 16 – RESERVED

Section 17 – RESERVED

Section 18 – AMENDMENTS

Section 18.1 Amendments

In order for these REQ Procedures to be amended, upon petition of at least five (5) REQ Members, the Vice Chair of the EC for the REQ shall announce an REQ meeting. Such announcement shall provide for at least a 30-day notice. In order to transact business at the REQ meeting, there shall be a quorum consisting of at least 33% of the REQ 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 REQ Members in advance of a notational vote. Any REQ 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 REQ Members and 40% of each REQ Segment’s Membership.