



December 15, 2014

SGIP Members –

We wanted to make sure you were aware that the SGIP Board of Directors has approved changes to the membership categories as well as the Board of Directors composition and structure. This is all based on your feedback over the past year. This letter and the attachments will provide you with the detailed information regarding these changes. We believe that these changes will enable our organization to be more effective and enable all members to leverage the benefits of SGIP membership by way of participation and contribution to all activities in SGIP, from the creation of work products you can use today, to the long-term strategic planning for evolution to a smarter grid.

The changes being implemented at this time are twofold:

### 1. Five “Interest Categories” replace the legacy “Stakeholder Categories”

Much of the structure, composition and size of SGIP 2.0 are legacies carried over from SGIP 1.0. Having 23 categories made tremendous sense in the SGIP 1.0 “Governing Board” model in order to have broad and inclusive participation by visionary advisors from across the industry for high-level direction setting. However, this is no longer the case with a corporate Board of Directors.

The new “Interest Categories” are framed like many other deliberative industry organizations where consensus-based solutions to industry issues are considered. Interest Categories allow the organization to clearly see that its membership is diverse, is inclusive of all interests, and that no single interest dominates over the others.

The new Interest Categories, their descriptions and examples are shown in Attachment A. The SGIP staff has already assigned all members an Interest Category based upon these descriptions. These assignments are shown in Attachment B.

### 2. Board of Twelve Directors

As we continue to move forward as an organization, we are making adjustments in our board. In order to drive value for its stakeholder members, the SGIP Board must be composed of individual directors having a broad range of leadership skills and experiences, housed within an effective and efficient size and structure.

With SGIP 2.0 becoming an IRS 501(c)3 corporation under Delaware law, we established a Board of Directors, each of whom owe a fiduciary responsibility to ALL of the stakeholders of the corporation. Striving for a Board of Directors composed of directors reflecting a “balance of interested stakeholders” remains important for diversity of thought and experience, but cannot be viewed as a

fundamental right of representation. Establishing these premises will help ensure clearly understood duties and accountabilities for all directors, which will be transparent to the whole organization.

At the January 16<sup>th</sup> Board meeting, a final schedule will be adopted that allows twelve directors to be nominated, elected and seated by April 1, 2015. The board will be composed of two directors elected from each Interest Category by the members of that category, plus two directors elected “at large” from the general membership. Nominations may come from any SGIP member (including self-nomination) for candidates from within and for that members assigned Interest Category and from the overall membership for the “at large” seats.

The SGIP Board of Directors and staff are now in the process of finalizing the implementation of these changes. Part of that process includes updates to the SGIP 2.0 bylaws, highlights of which are shown in Attachment C. Full text of the proposed bylaws available by clicking [here](#). Note that it is common practice to incorporate only those details required “by law” into the bylaws; much of the detail of the structure, nominations, election and terms of directors are left to organizational procedure documents.

As an SGIP member you should carefully review all of the attached material. If you have any concerns about your Interest Category assignment or the proposed bylaws changes, you have the opportunity to comment on these between now and January 15, 2015. These comments should be sent to the SGIP Nominations & Governance Committee ([NGC](#)).

Lastly, should you wish to nominate yourself or someone else to serve on the newly composed SGIP Board of Directors, please begin those considerations and preparations now. The details and final timeline for nominations and elections will be communicated in mid-January subject to approval by the Board on January 16<sup>th</sup>, 2015.

Regards,



Sharon Allan, SGIP 2.0 President & CEO



John McDonald, SGIP 2.0 Board Chairman

## **Attachment A – Interest Category Descriptions**

In December 2014, the SGIP Board of Directors approved to replace the existing 22 Stakeholder Categories with 5 Interest Categories, as follows:

### **Manufacturers**

Provide the equipment, software and communications gear and solutions for the safe and efficient generation, delivery and utilization of energy. *Includes: software designers and manufacturers of semiconductors, communications equipment, control systems, generation, transmission, distribution, measuring, storage, testing and safety equipment.*

### **Asset Owners**

Own and invest in the infrastructure and communications to produce, transport and/or distribute energy. *Includes: vertically integrated utilities, co-operative and municipal utilities, “wires” companies, ITCs, independent power producers, renewable energy producers, including hydro, wind, solar, and biomass, together with other privately and publicly owned entities producing or delivering energy using their assets.*

### **Service Providers & System Administrators**

Provide services in the energy industry including the independent operation/management of transmission or distribution systems. *Includes: consultants, electricity or financial market traders or brokers; entities which offer electric energy and related services at unregulated prices directly to retail customers; ISOs/RTOs/DSOs; aggregators; organizations that provide design, conformance or compliance testing services; certification services; or funding for the development or operation of energy equipment, systems or services.*

### **Consumers, Policy & Government**

Consume energy or develop/implement policies governing the production and delivery of energy and related services to such consumers. *Includes: residential, industrial and commercial consumers of energy together with thought leaders who help develop appropriate policies and analysis (e.g., academia, research and teaching organizations) and implementing governmental authorities (e.g., federal, state and local governmental entities).*

### **SDOs & Consortia**

Develop and communicate broad industry positions, technologies and standards. *Includes: associations, standards development organizations, SSOs, consortia, alliances, societies, user groups, trade associations, etc.*

**Attachment B – Member Interest Category Assignments**

<b>Company Name</b>	<b>New Interest Category Title</b>
ABB Inc.	Manufacturers
Aclara Technologies, LLC	Manufacturers
Advanced Energy Centre	SDOs & Consortia
Alliance for Telecommunications Industry Solutions (ATIS)	SDOs & Consortia
Alliant Energy	Asset Owners
Ambient Corporation	Manufacturers
Ameren Services	Asset Owners
American Association for Laboratory Accreditation (A2LA)	SDOs & Consortia
American Council of Independent Laboratories (ACIL)	SDOs & Consortia
American Electric Power (AEP)	Asset Owners
American Public Power Association (APPA)	SDOs & Consortia
ARC Informatique	Manufacturers
ARC Technical Resources, Inc.	Service Providers & System Administrators
Arizona Public Service Company	Asset Owners
ASHRAE	SDOs & Consortia
Association of Home Appliance Manufacturers	SDOs & Consortia
BC Hydro	Asset Owners
Bonneville Power Administration	Asset Owners
Buford Goff & Associates, Inc.	Service Providers & System Administrators
California Independent System Operator Corporation	Service Providers & System Administrators
California Public Utilities Commission	Consumer, Policy & Government
Calm Sunrise Consulting, LLC	Service Providers & System Administrators
Carnegie Mellon University	Service Providers & System Administrators
CENACE	Consumer, Policy & Government
CenterPoint Energy Houston Electric	Asset Owners
Cetecom	Service Providers & System Administrators
City of Watertown	Consumer, Policy & Government
Clevest Solutions, Inc.	Manufacturers
Climate Talk Alliance	SDOs & Consortia
College of Engineering, Computer Science, and Construction Management CSU, Chico	Consumer, Policy & Government
ComRent International	Manufacturers
Consumer Electronics Association	SDOs & Consortia
Consumers Energy Company	Asset Owners
Coordinated Science Laboratory - University of Illinois	Consumer, Policy & Government
Cornice Engineering, Inc.	Service Providers & System Administrators
CSA Group	SDOs & Consortia
Drummond Group, Inc.	Service Providers & System Administrators
DTE Energy	Asset Owners
Duke Energy	Asset Owners
Duquesne Light Company	Asset Owners
Eaton Corporation	Manufacturers
Edison Electric Institute (EEI)	SDOs & Consortia
Electric Power Research Institute (EPRI)	Consumer, Policy & Government
Electric Reliability Council of Texas (ERCOT)	Service Providers & System Administrators
Elevate Energy	Service Providers & System Administrators
Elster Solutions	Manufacturers
Emerson Electric Co.	Manufacturers
EnerNex LLC	Service Providers & System Administrators
EnerNOC, Inc.	Service Providers & System Administrators
EnerTech Capital	Service Providers & System Administrators
e-Radio USA Inc.	Manufacturers
Ericsson Inc.	Manufacturers
Exelon Corporation	Asset Owners
Federal Energy Regulatory Commission (FERC)	Consumer, Policy & Government
Florida Power & Light Company (FPL)	Asset Owners
FutureDOS	Service Providers & System Administrators
Gas Technology Institute	SDOs & Consortia

<b>Company Name</b>	<b>New Interest Category Title</b>
General Electric Company	Manufacturers
Greater Sudbury Hydro Inc.	Asset Owners
Grid2Home, Inc.	Service Providers & System Administrators
GridWise Alliance	SDOs & Consortia
Helikon.net	Service Providers & System Administrators
Home, Building & Utility Systems	Service Providers & System Administrators
Homegrid Forum	SDOs & Consortia
HomePlug Powerline Alliance, Inc.	SDOs & Consortia
Honeywell Automation and Control Solutions	Manufacturers
Hydro-Quebec	Asset Owners
Hypertek, Inc.	Service Providers & System Administrators
Idaho National Laboratory	Consumer, Policy & Government
IEEE Standards Association	SDOs & Consortia
India Smart Grid Forum (ISGF)	SDOs & Consortia
ISO New England	Service Providers & System Administrators
Itron, Inc.	Manufacturers
Japan Smart Community Alliance (JSCA)	SDOs & Consortia
Kalki Communications Technologies Private Limited (KALKITECH)	Service Providers & System Administrators
Kladar Virtual Automation Ltd	Service Providers & System Administrators
Korea Smart Grid Association (KSGA)	Consumer, Policy & Government
Korea Smart Grid Institute	SDOs & Consortia
Korea Testing Laboratory	Service Providers & System Administrators
Kottage Industries LLC	Service Providers & System Administrators
Kyocera Telecommunications Research Center (KTRC)	Consumer, Policy & Government
Lafayette Utilities System	Asset Owners
Lakeview Consulting Group	Service Providers & System Administrators
Lansing Board Of Water and Light	Asset Owners
Lawrence Berkeley National Laboratory (LBNL)	Consumer, Policy & Government
LocalGrid Technologies	Manufacturers
London Hydro	Asset Owners
LonMark International	SDOs & Consortia
Machine-to-Machine Intelligence Corporation (M2Mi)	Manufacturers
Maryland Public Service Commission	Consumer, Policy & Government
Metatech Corporation	Service Providers & System Administrators
Michigan Public Service Commission	Consumer, Policy & Government
Microsoft Corporation	Manufacturers
MidAmerican Energy Company	Asset Owners
Milbank Manufacturing Co.	Manufacturers
MISO	Service Providers & System Administrators
MITRE Corp.	Service Providers & System Administrators
Mitsubishi Electric Research Labs	Manufacturers
MobiComm Communications	Manufacturers
Modbus Organization, Inc.	SDOs & Consortia
National Association of Regulatory Utility Commissioners (NARUC)	SDOs & Consortia
National Electrical Manufacturers Association (NEMA)	SDOs & Consortia
National Institute of Standards and Technology (NIST)	Consumer, Policy & Government
National Renewable Energy Laboratory (NREL)	Consumer, Policy & Government
National Rural Electric Cooperative Association (NRECA)	SDOs & Consortia
NEC Laboratories America	Manufacturers
New York Independent System Operator, Inc.	Service Providers & System Administrators
New York State Department of Public Service	Consumer, Policy & Government
Newport Consulting Group	Service Providers & System Administrators
Nexans	Manufacturers
North American Energy Standards Board (NAESB)	SDOs & Consortia
NovaTech LLC	Manufacturers
Nuclear Regulatory Commission	Consumer, Policy & Government

<b>Company Name</b>	<b>New Interest Category Title</b>
NXEGEN LLC	Manufacturers
Oak Ridge National Laboratory (ORNL)	Consumer, Policy & Government
OakTree Consulting	Service Providers & System Administrators
Oncor Electric Delivery	Asset Owners
OpenADR Alliance	SDOs & Consortia
Opower	Manufacturers
Pacific Northwest National Laboratory (PNNL)	Consumer, Policy & Government
Pepco Holdings, Inc.	Asset Owners
PG&E	Asset Owners
PJM Interconnection	Service Providers & System Administrators
Portland General Electric Company	Asset Owners
PosiGen	Service Providers & System Administrators
Power Generation Services, Inc.	Service Providers & System Administrators
Power Systems Engineering Research Center (PSERC)	Consumer, Policy & Government
PowerGrid360	Service Providers & System Administrators
PowerHub Systems	Manufacturers
PPL Corporation	Asset Owners
Public Service Electric and Gas Company (PSE&G)	Asset Owners
Public Utilities Commission of Ohio	Consumer, Policy & Government
Qualcomm Technologies, Inc.	Manufacturers
QualityLogic, Inc.	Manufacturers
RCES Center from Univ. of Texas at El Paso	Consumer, Policy & Government
Rebecca Herold and Associates	Service Providers & System Administrators
Reef Energy Systems, LLC	Service Providers & System Administrators
Reilly Associates	Service Providers & System Administrators
Sacramento Municipal Utility District	Asset Owners
SAE International	SDOs & Consortia
Sandia National Laboratories	Consumer, Policy & Government
Schneider Electric	Manufacturers
Sensus	Manufacturers
Silver Spring Networks	Manufacturers
Smart Grid Operations Consulting	Service Providers & System Administrators
SmartCloud, Inc.	Service Providers & System Administrators
Southern Company Services, Inc.	Asset Owners
SunSpec Alliance	SDOs & Consortia
Sustainable Resources Management	Service Providers & System Administrators
Systems Integration Specialists Company, Inc. (SISCO)	Service Providers & System Administrators
Tacoma Power	Asset Owners
Taiwan Smart Grid Industry Association (TSGIA)	SDOs & Consortia
Tata Consultancy Services Limited	Service Providers & System Administrators
Telecommunications Industry Association (TIA)	SDOs & Consortia
Telecommunications Technology Association	SDOs & Consortia
TeMix Inc.	Service Providers & System Administrators
Tendril	Manufacturers
Tennessee Valley Authority	Asset Owners
The Associated General Contractors of America	SDOs & Consortia
The International Society of Automation (ISA)	SDOs & Consortia
The University of Tokyo	Consumer, Policy & Government
Toshiba - Landis + Gyr	Manufacturers
Tri-County Electric Cooperative, Inc.	Asset Owners
TUV Rheinland of North America	Service Providers & System Administrators
U.S. Department of Energy (DoE)	Consumer, Policy & Government
Underwriters Laboratories, Inc. (UL)	Service Providers & System Administrators
UPnP Forum	SDOs & Consortia
Upperbay Systems	Service Providers & System Administrators
Utilities Telecom Council, Inc.	SDOs & Consortia
Utility Integration Solutions Organization	Service Providers & System Administrators
Valley View Corporation	Service Providers & System Administrators

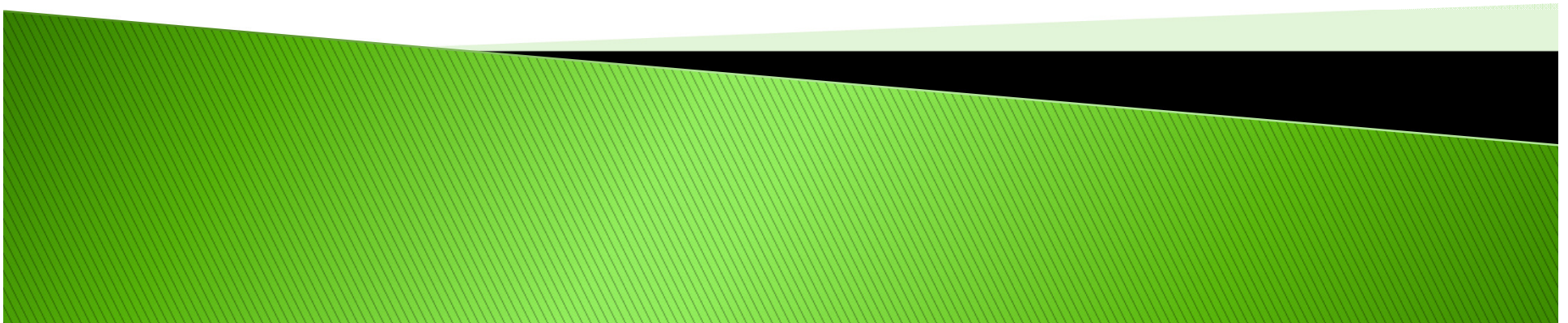
<b>Company Name</b>	<b>New Interest Category Title</b>
Verday, LLC	Service Providers & System Administrators
Verizon Communications	Service Providers & System Administrators
Ward Bower Innovations LLC	Service Providers & System Administrators
Washington Laboratories	Service Providers & System Administrators
Wedin Communications	Service Providers & System Administrators
Wells Fargo	Service Providers & System Administrators
WiMAX Forum	SDOs & Consortia
Xanthus Consulting International	Service Providers & System Administrators
XBRL US, Inc.	SDOs & Consortia
Xcel Energy Inc.	Asset Owners
Zigbee Alliance, Inc.	SDOs & Consortia
ZIV USA INC.	Manufacturers
Z-Wave Alliance	SDOs & Consortia



# Attachment C

# SGIP Bylaw Amendments

December 15, 2014



# Bylaw Amendment Highlights

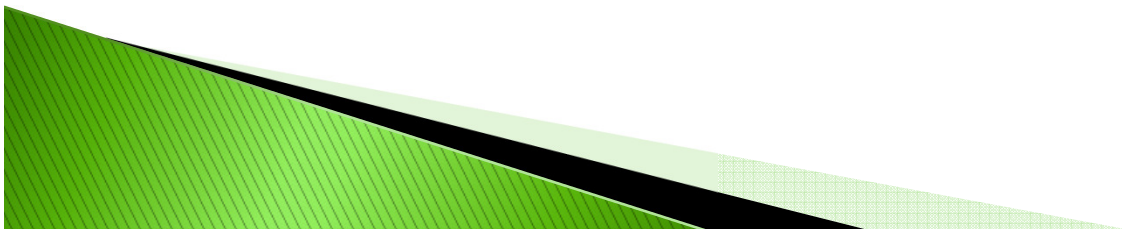
- ▶ **Replace Stakeholder Category with Interest Category**

(a) the word "Stakeholder" in each reference to "Stakeholder Category" or "Stakeholder Categories" is changed to the word "Interest;"

- ▶ **Allow nomination for 1 candidate in the member's Interest Category & 1 candidate for an at-large Director**

(b) subsection 2.3(a) is replaced in its entirety with the following text:

"(a) nominate one potential candidate to stand for election in such Member's Interest Category, and nominate one potential candidate to stand for election as an "at-large" member, to the Board of Directors;"



# Bylaw Amendment Highlights

- ▶ **A plurality is used to determine the election winners**

(c) subsection 3.8(b) is replaced in its entirety with the following text:

"(b) Notwithstanding Section 3.8(a) and except as noted below, in the event that any vote is to be taken of a single class of Voting Members, then a quorum for such vote shall be not less than fifty percent of the Voting Members of that class, and when such quorum is present, the vote of more than fifty percent of the aggregate votes of the Voting Members of that class present in person or represented by proxy and entitled to vote on the question, shall decide such question; however, that when any vote is to be taken to elect Directors from Interest Categories, the vote of a plurality of the aggregate votes of the Voting Members within an Interest Category present in person or represented by proxy and entitled to vote shall determine the Director(s) representing that Interest Category."

# Bylaw Amendment Highlights

- ▶ **Limit Board to a Maximum of 12.**

(d) subsections 4.2(a) and (b) are replaced in their entirety with the following text:

"(a) Subject to Section 4.4, the total number of Directors (excluding ex officio Directors designated pursuant to Section 4.2(c) below) shall be not fewer than one and not greater than twelve (the "Maximum Number of Directors").

- ▶ **Specify Director counts to 2 from each Interest Category and 2 at-large**

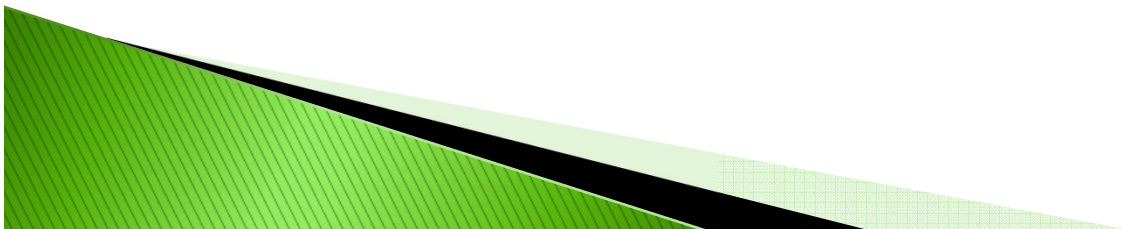
(b) From and after the first election of Directors by the Participating Members, the Board of Directors shall consist of up to the Maximum Number of Directors, nominated and elected, or appointed, in accordance with the following:

(i) Two Directors shall be elected from each of the Interest Categories.

(ii) Two "at-large" members shall be elected by all Participating Members voting as a class.

- ▶ **Limit a Member company to one Director**

No more than one employee of a Member may be a Director at one time.



# Bylaw Amendment Highlights

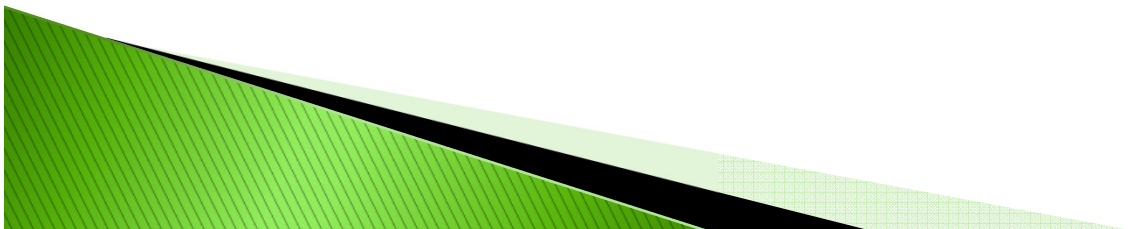
- ▶ **Restrict voting to Interest Category & at-large**

(e) subsection 4.3(a) is replaced in their entirety with the following text:

"(a) Each Participating Member (while remaining in good standing) shall be entitled to participate in the nomination and election of Directors as provided in Section 2.3. A Participating Member shall be entitled to vote only for the election of the Directors from such Member's Interest Category, and for nominees to serve as "at-large" Directors. Voting shall be on a non-cumulative basis.

- ▶ **Establish term length, term limits and codify current Directors have served 1 term**

Directors shall be elected by vote of the Participating Members at the annual meeting or at any special meeting of Members, each Director so elected to have a term of two years, and thereafter until his or her successor shall be duly elected and qualified or until his or her earlier resignation or removal. An individual may be elected for up to three consecutive terms as a Director. Directors seated and serving on November 30, 2014 shall be considered to have served one of these three terms."



# Motion to Amend the Bylaws

- ▶ RESOLVED: That the following amendments to the Bylaws are hereby preliminarily approved and shall be posted for Member comment:

**(a) the word "Stakeholder" in each reference to "Stakeholder Category" or "Stakeholder Categories" is changed to the word "Interest;"**

**(b) subsection 2.3(a) is replaced in its entirety with the following text:**

"(a) nominate one potential candidate to stand for election in such Member's Interest Category, and nominate one potential candidate to stand for election as an "at-large" member, to the Board of Directors;"

**(c) subsection 3.8(b) is replaced in its entirety with the following text:**

"(b) Notwithstanding Section 3.8(a) and except as noted below, in the event that any vote is to be taken of a single class of Voting Members, then a quorum for such vote shall be not less than fifty percent of the Voting Members of that class, and when such quorum is present, the vote of more than fifty percent of the aggregate votes of the Voting Members of that class present in person or represented by proxy and entitled to vote on the question, shall decide such question; however, that when any vote is to be taken to elect Directors from Interest Categories, the vote of a plurality of the aggregate votes of the Voting Members within an Interest Category present in person or represented by proxy and entitled to vote shall determine the Director (s) representing that Interest Category."

- ▶ **(d) subsections 4.2(a) and (b) are replaced in their entirety with the following text:**

"(a) Subject to Section 4.4, the total number of Directors (excluding ex officio Directors designated pursuant to Section 4.2(c) below) shall be not fewer than one and not greater than twelve (the "Maximum Number of Directors").

(b) From and after the first election of Directors by the Participating Members, the Board of Directors shall consist of up to the Maximum Number of Directors, nominated and elected, or appointed, in accordance with the following:

(i) Two Directors shall be elected from each of the Interest Categories.

(ii) Two "at-large" members shall be elected by all Participating Members voting as a class.

No more than one employee of a Member may be a Director at one time..

**(e) subsection 4.3(a) is replaced in their entirety with the following text:**

"(a) Each Participating Member (while remaining in good standing) shall be entitled to participate in the nomination and election of Directors as provided in Section 2.3. A Participating Member shall be entitled to vote only for the election of the Directors from such Member's Interest Category, and for nominees to serve as "at-large" Directors. Voting shall be on a non-cumulative basis.

Directors shall be elected by vote of the Participating Members at the annual meeting or at any special meeting of Members, each Director so elected to have a term of two years, and thereafter until his or her successor shall be duly elected and qualified or until his or her earlier resignation or removal. An individual may be elected for up to three consecutive terms as a Director. Directors seated and serving on November 30, 2014 shall be considered to have served one of these three terms."