

North American Energy Standards Board

Bylaws Addendum

Exhibit 4

Retail Electric Quadrant Procedures

1 **Section 1 – DEFINITIONS**

2 **Section 1.1 Definitions Included in the NAESB Bylaws**

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

5 **Section 1.2 Definitions for the Purposes of this Exhibit**

6 A. "NAESB Office" means the administrative office of the Secretary of NAESB.

7 B. "REQ" means the Retail Electric Quadrant.

8 C. "Designated Alternates" is defined as a person named by a Segment of the Retail
9 Electric Quadrant, submitted to the NAESB office, to serve in place of a REQ EC
10 Member who is unable to attend an EC meeting.

11 D. "REQ EC" means the Executive Committee of the REQ.

12 E. "REQ Members" means the Voting Members of the Retail Electric Quadrant, of
13 NAESB that satisfy the requirements of membership set forth in Section 5.1.

14 F. "REQ Segment" means one of the three co-equal Segments of the Retail Electric
15 Quadrant of NAESB.

16
17 **Section 2 – PURPOSES, SCOPE, ACTIVITIES, AND POLICIES**

18 **Section 2.1 Purpose, Scope & Activities**

19 A. Purpose

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

23 B. Scope & Activities

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

29 **Section 2.2 Policies**

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

32 **Section 2.3 Segment Organization**

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

36 A. Service Providers/Suppliers

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

43 B. Utilities

44 Persons engaged in the local distribution of electricity.

- 45 C. End Users/Public Agencies
46 Persons that consume electricity, represent consumers of electricity or are
47 employed by a public agency associated with the retail electric industry.
48

49 **Section 3 – RESERVED**

50
51 **Section 4 – RESERVED**

52
53 **Section 5 – REQ MEMBERS**

54 **Section 5.1 REQ Voting Members**

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

- 57 A. The person has a significant business interest¹ in the retail electric market (or is a
58 representative or Agent of such person), as determined by a simple majority of the
59 Segment Membership, if challenged.
- 60 B. Representatives designated by any person in any Segment should have the
61 authority to represent the interests of the person seeking to be a Segment Member.
- 62 C. Memberships in multiple Segments of the REQ are permissible for any person
63 provided each membership is filed and declared with NAESB and the person
64 meets the membership requirements of each Segment joined.
- 65 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.

66 E. The person may be a trade association or an advocacy group representing a group
67 of prospective members.

68 **Section 5.2 Removal of Members**

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

72

73 **Section 6 – RESERVED**

74

75 **Section 7 – BOARD**

76 **Section 7.1 Board Representation**

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

79 **Section 7.2 Qualifications of Directors**

80 A. Eligibility

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

- 83 1. be willing to commit the time and resources necessary;
- 84 2. have the authority to fulfill the obligations as a REQ Director;
- 85 3. be willing to meet the minimum threshold of participation and attendance
86 established in the NAESB Bylaws, Section 9.7(f), and any other applicable
87 provisions, as set forth in the NAESB Bylaws;

- 88 4. have a broad understanding of the electric industry and have sufficient authority
89 to make decisions on behalf of the organization represented; for example, a
90 representative of a corporate entity should ideally be an executive of that
91 corporation;
- 92 5. have a working knowledge of the NAESB process; and
- 93 6. disclose their interest, or their employer's interest, in the electric industry and the
94 relationship with other entities with which the employer may be affiliated.

95 **Section 7.3 Number and Election of Directors**

96 A. Number of Directors

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

99 B. Election of Directors

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

- 101 1. When Directors' terms approach expiration the NAESB office will ask those
102 Board members if they will consider an additional term.
- 103 2. The NAESB office will send out a request for candidates letter to all Members of
104 the Segment for the open seats or seats with term limits. In that communication,
105 if the existing Board member is interested in holding the seat or if other Segment
106 Members have noted their willingness to be considered as a candidate, they are so
107 noted as candidates.
- 108 3. The nomination period is a minimum of two weeks but can extend to one month.
109 Interested Members of the Segment for the seat in question can self-nominate or
110 nominate others through communication to the NAESB office.

- 111 4. If there are contested seats, an election is held for a period of two weeks.
112 Members of the Segment are eligible to vote and receive a ballot via email.
- 113 5. The ballot can be forwarded to the office in email or fax communication. The
114 tally takes place at the conclusion of the balloting period, and the candidate
115 receiving the most votes wins.
- 116 6. In case of a tie, the candidates are approached to resolve the matter.
- 117 7. For vacancies, the same steps noted above are followed with the exception that
118 the existing Board member is not approached to determine if he is interested in
119 serving additional terms.

120 **Section 7.4 Term of Office**

121 A. Terms

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

- 124 1. Two Directors will be elected from each Segment each year to fill expiring terms.
- 125 2. Group A Director terms will expire in odd numbered years.
- 126 3. Group B Director terms will expire in even numbered years.
- 127 4. Term expiration will be in conjunction with the end of the operating year of
128 NAESB or as otherwise defined by the Board, Certificate of Incorporation or
129 Bylaws, as amended.

130 B. Limit on Number of Terms of Office

131 Directors elected from the REQ may run for re-election without restriction on the number
132 of terms held.

133 C. Change of Affiliation

134 In the event that the Director

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

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

142 **Section 7.5 RESERVED**

143 **Section 7.6 Removal of Directors**

144 In addition to being subject to removal from office by the NAESB Board of Directors,
145 Directors may also be removed from office for cause. The REQ Segment shall give the
146 Director at least a 30-day notice of the proposed action and an opportunity to respond. A
147 67% majority of the applicable REQ Segment Membership shall be required to remove a
148 Director.

149

150 **Section 8 – RESERVED**

151

152 **Section 9 – RESERVED**

153

154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176

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.

177 B. Election of EC Members

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

- 179 1. When Representatives' terms approach expiration the NAESB office will ask
180 those EC Members if they will consider an additional term.
- 181 2. The NAESB office will send out a request for candidates letter to all Members of
182 the Segment for the open seats or seats with term limits. In that communication,
183 if the existing EC Member is interested in holding the seat or if other Segment
184 Members have noted their willingness to be considered as a candidate, they are so
185 noted as candidates.
- 186 3. The nomination period is a minimum of two weeks but can extend to one month.
187 Interested Members of the Segment for the seat in question can self-nominate or
188 nominate others through communication to the NAESB office.
- 189 4. If there are contested seats, an election is held for a period of two weeks.
190 Members of the Segment are eligible to vote and receive a ballot via email.
- 191 5. The ballot can be forwarded to the office in email or fax communication. The
192 tally takes place at the conclusion of the balloting period, and the candidate
193 receiving the most votes wins.
- 194 6. In case of a tie, the candidates are approached to resolve the matter.
- 195 7. For vacancies, the same steps noted above are followed with the exception that
196 the existing EC Member is not approached to determine if he is interested in
197 serving additional terms.

198 **Section 10.4 Term of Office**

199 A. Terms

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

203 B. Limit on Number of Terms of Office

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

206 C. Change of Affiliation

207 In the event that the EC Member

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

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

215 **Section 10.5 Vacancies**

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

219 **Section 10.6 Removal of REQ EC Members**

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

226 **Section 10.7 Designated Alternates**

227 A. Authority

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

- 230 1. An EC Member from that Segment either indicates to the NAESB Office, EC
 231 Chair or Vice-Chair that they will be absent, or is in fact absent and remains
 232 absent, and
- 233 2. The name of the Designated Alternate is on a list of approved Designated
 234 Alternates selected by the appropriate Segment Membership, and on file with the
 235 NAESB Office.

236 B. Election of Designated Alternates

237 Each Segment will annually select Designated Alternates.

238 **Section 10.8 EC Meetings**

239 A. REQ EC Meetings

240 REQ EC meetings shall be held at times and locations determined by the Chair or Vice-
 241 Chair of the REQ EC. EC Members may participate and vote by means of tele-

242 conference or other electronic means unless in-person attendance is required of all EC
 243 Members by both the Chair and Vice-Chair of the EC, and subject to the attendance
 244 requirements of Article 10, Section 10.4(j) of the Bylaws.

245 B. Joint EC Meetings

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

250 **Section 10.9 EC Subcommittees**

251 A. Establishing Subcommittees & Task Forces

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

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

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

261 3. The Temporary Chair shall

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

263 b) prepare a meeting notice that:

264 (i) states the name and purpose of the subcommittee / task force,

- 265 (ii) solicits participation in the subcommittee / task force, and
266 (iii) announces the agenda for the first meeting.
- 267 c) post the meeting notice to all Members and non-members via the NAESB
268 website.
- 269 d) post the notice at least two weeks prior to the meeting date. Shorter time
270 periods for notices of subsequent meetings will be permitted by a 75%
271 vote of the participants attending a duly scheduled meeting.
- 272 4. All meeting notices shall be posted on the NAESB website and transmitted in
273 writing, facsimile, or other electronic means to parties who have indicated an
274 interest in the duly scheduled meeting.

275 B. Meeting Minutes

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

279 C. Reporting

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

283 **Section 11 – RESERVED**

284

285 **Section 12 – RESERVED**

286

287 **Section 13 – RESERVED**

288

Section 14 – RESERVED

289

290

Section 15 – RESERVED

291

292

Section 16 – RESERVED

293

294

Section 17 – RESERVED

295

296

Section 18 – AMENDMENTS

297

Section 18.1 Amendments

298

299

In order for these REQ Procedures to be amended, upon petition of at least five (5) REQ

300

Members, the Vice Chair of the EC for the REQ shall announce an REQ meeting. Such

301

announcement shall provide for at least a 30-day notice. In order to transact business at

302

the REQ meeting, there shall be a quorum consisting of at least 33% of the REQ

303

Membership. Following such meeting, the proposed resolution adopted at the meeting

304

shall be sent out for comment, and the comments shall be distributed to all REQ

305

Members in advance of a notational vote. Any REQ Member not choosing to vote shall

306

be considered to have voted in favor of the proposed resolution. In order for a proposed

307

resolution to take effect, it must be approved by at least 67% majority of REQ Members

308

and 40% of each REQ Segment's Membership.