November 27, 2018

**TO:** NAESBParliamentary Committee Members: Bill Boswell, Jim Buccigross, Cade Burks, James Cargas, Valerie Crockett, Michael Desselle, Bruce Ellsworth, Greg Lander, Debbie McKeever, Rae McQuade, Lou Oberski, Randy Parker, Timothy Simon, Kim Van Pelt

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE:** Parliamentary Committee Draft Meeting Minutes – November 15, 2018

**NAESB Parliamentary Committee Conference Call**

**Thursday, November 15, 2018 from 10:00 AM to 12:00 PM Central**

1. **Administration and Welcome**

Mr. Desselle welcomed the participants and called the meeting to order. Mr. Booe provided the Antitrust and Other Meeting Policies reminder, called the roll of the committee members, and established quorum. Mr. Desselle reviewed the agenda with the committee. Ms. Crockett moved, seconded by Mr. Burks, to adopt the agenda as final. The motion passed without opposition.

Mr. Desselle reviewed the September 13, 2018 draft meeting minutes. No modifications were made. Mr. Oberski moved, seconded by Mr. Lander, to adopt the redlined draft minutes as final. The motion passed without opposition.

The final meeting minutes from the September 13, 2018 Parliamentary Committee conference call may be accessed at following hyperlink:

<https://www.naesb.org/pdf4/parliamentary091318fm.docx.>

1. **Review the NAESB Certificate of Incorporation Update Work Paper**

Submitted Comment Discussion

The participants reviewed the comments submitted by [Mr. Cargas, City of Houston](https://naesb.org/pdf4/parliamentary111518w2.pdf), proposing that the term “governmental entity” be added to the list of entities eligible to be voting members in Article IV, Section 2, Clause 1 of the NAESB Certificate of Incorporation (Certificate). He stated that, after a quick search of Delaware General Corporation Law, he did not find that governmental entities were included in the definition, as they are under Texas law. Ms. Crockett supported the proposal. Ms. McQuade stated that the addition of the term “governmental entity” to the language of the section would explicitly recognize the practice that is currently followed. Mr. Connor asked about possible restrictions on trade associations. Ms. McQuade stated that NAESB has a number of members that are trade associations, some choose to become voting members and others do not. Mr. Booe stated that that optionality was to accommodate the different rules and requirements within the trade associations.

Mr. Desselle asked for any opposition to accepting the proposal to include “governmental entity” in Article IV, Section 2, Clause 1 of the Certificate. None was offered.

Certificate Work Paper Discussion

Mr. Desselle stated that Mr. Booe developed a [work paper](https://www.naesb.org/pdf4/parliamentary111518w1.docx) that identifies the Board of Directors resolutions over the last eighteen years that the committee may want to consider including in the governance documents. He noted that the work paper is intended to support efforts to meet Goal 4, as it relates to the NAESB Certificate of Incorporation in the list of goals identified by the Committee: (1) The Certificate of Incorporation is consistent with Delaware corporate law; (2) The Certificate of Incorporation is consistent with itself and the other Governance Documents; (3) The language of the provisions and/or procedures included in the Certificate of Incorporation is consistent with the original intent of the adopted provision and/or procedure; (4) The Certificate of Incorporation is consistent with, and incorporates where necessary, resolutions adopted by the NAESB Board of Directors; (5) The Certificate of Incorporation is consistent with, and incorporate where necessary, undocumented practices and procedures of NAESB.

The Parliamentary Committee considered the following resolutions for incorporation into the NAESB Governance Documents:

***NAESB Board of Directors Resolution Approved August 30, 2002 Establishing Board Managing Committee***: Mr. Booe stated that the resolution details the duties of the Managing Committee. He noted that the Managing Committee is currently referenced in the NAESB Bylaws, but the responsibilities of the group are not delineated in the NAESB governance documents. Mr. Boswell explained that NAESB is not obligated to put any of the resolutions in the governance documents. Mr. Desselle stated that if the resolution was incorporated into the governance documents, it should be considered for the NAESB Bylaws, rather than the Certificate. Several participants agreed. Mr. Connor suggested that the Parliamentary Committee members review the duties of the Managing Committee. Mr. Boswell stated that a review of the functions of the Managing Committee would be outside the scope of the current effort to update the NAESB governance documents. Mr. Skiba stated that the Managing Committee should consider putting a scope statement on its webpage as an alternative to adding the intent of the resolution to the governance documents. Mr. Desselle stated that the committee will consider the resolution during its discussion of the NAESB Bylaws. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved March 3, 2005 Appointment of Rae McQuade as President of NAESB***: Mr. Booe recommended that the Committee modify Article 3, Section 7 of the Certificate to be consistent with the resolution and make any necessary conforming changes moving forward. Mr. Desselle stated that he supported the recommendation and asked for any opposition. No opposition was offered.

***NAESB Board of Directors Resolution Approved September 25, 2008 Adoption of the NAESB Policy on Efficient Standards Development***: Mr. Booe stated that the resolution provided high level guidance from the Board recommending actions to take in the event of a pending segment block. Ms. McQuade suggested that the committee consider the resolution during its discussion of the NAESB Bylaws. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved June 24, 2010 Formal Comments Procedures and Timing*:**  Mr. Booe explained that the resolution states that, because participants need sufficient time to consider comments prior to taking action, all comments shall be provided to meeting participants at least three business days in advance of the meeting at which they will be discussed, absent compelling reasons. Mr. Booe stated that the Wholesale Electric Quadrant (WEQ) frequently votes to accept late comments and the practice is followed, but has not been codified. Mr. Desselle asked whether there was any opposition to not including the resolution in the Certificate. None was offered. The committee agreed to consider the resolution during its discussion of the NAESB Bylaws or the NAESB Operating Practices. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved December 9, 2010 Direction to the Parliamentary Committee:*** Due to the level of detail concerning notational ballots in the resolution, the committee agreed to consider the resolution during its discussion of the NAESB Bylaws or the NAESB Operating Practices. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved March 22, 2012 Adoption of Revisions to the NAESB Operating Practices***: Mr. Desselle suggested that the committee consider the resolution during its discussion of the NAESB Bylaws. He asked for any opposition. None was offered. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved September 20, 2012 Adoption of the NAESB Policy Concerning Communications with Media and Press***: Mr. Booe stated that the Board of Directors adopted the resolution to define the roles and permissions for communicating with the media and the press. The committee agreed to consider the resolution during its discussion of the NAESB Bylaws or the NAESB Operating Practices. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved April 4, 2013 Adoption of the NAESB Self-Executing Copyright Procedure and Waiver***: Mr. Booe stated that the NAESB Bylaws reference the NAESB Irrevocable, Self-Executing, Limited Waiver of NAESB Copyright for NAESB Members and Non-Member Purchasers of NAESB Standards, but the committee should consider adding details to the NAESB Bylaws. Mr. Desselle stated that there were some elements that should be incorporated into the NAESB Bylaws. He asked for opposition to considering the resolution during the committee discussion regarding the NAESB Bylaws. None was offered. The resolution was not incorporated into the Certificate.

***NAESB Board of Directors Resolution Approved December 10, 2015 Adoption of Revenue Committee Recommendation to Provide Clarification Regarding the NAESB Membership Policy***: The committee determined that the resolution should be incorporated into Article 4 of the Certificate. Mr. Booe stated that the language of the resolution was clear enough to be placed into the Certificate without revisions.

Undocumented Practices and Procedures Discussion

Mr. Desselle stated that there is an inconsistency within the Certificate concerning how former members should be classified with the current practice of the NAESB office. Article 4, Section 2 contains a practice that is no longer followed. Specifically, the last sentence of the section states: “A voting member which is delinquent in the payment of its dues shall continue as a member, but shall not be allowed to vote until it is current in the payment of its dues.”

The committee discussed whether a payment policy should be placed into the NAESB Bylaws or in the NAESB Certificate and determined that the policy was more of an administrative issue that should not be included in governance documents. The committee agreed to delete the last sentence of Article 4, Section 2, noting that it had done so on the Certificate of Incorporation work paper during previous meetings. Mr. Desselle called for any opposition to the removal of the sentence from the Certificate. None was offered.

The participants discussed whether the quadrant procedures should be moved into the NAESB Bylaws and whether inconsistency between those procedures could have a discriminatory effect on the organization. Mr. Booe noted that the Certificate contains a few references to the quadrant procedures, but those sentences could be removed should the committee determine to incorporate the quadrant procedures into the NAESB Bylaws. Ms. McQuade explained that the NAESB Bylaws would protect the balance that the quadrant procedures were drafted to ensure. Mr. Booe suggested that the Parliamentary Committee members discuss the incorporation of the quadrant procedures into the Bylaws and the potential merging of the procedures to achieve uniformity with other members of their quadrant. Mr. Lander asked whether a best practices version exists. Mr. Booe stated that the three quadrant procedures are very similar. Ms. Van Pelt clarified that the intent of the Committee is to discuss the possibility of the Bylaws subsuming the quadrant procedures and discussing the differences between the quadrants procedures during that process. Mr. Desselle agreed with the clarification.

1. **Discuss Next Steps**

Mr. Desselle stated that, with the exception of the quadrant procedures question, the participants closed out Item (5) The Certificate of Incorporation is consistent with, and incorporate where necessary, undocumented practices and procedures of NAESB. He stated that, during the next meeting, the committee would review a parking lot list reflecting the resolutions that were deferred to the discussion on the NAESB Bylaws and NAESB Operating Practices.

1. **Adjourn**

The meeting was adjourned at 11:01 AM Central on a motion by Mr. Lander, seconded by Mr. Oberski.

1. **Attendance by Committee Members**

| **Parliamentary Committee Members** | | |
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| **Name** | **Organization** | **Attendance** |
| Bill Boswell\* | NAESB General Counsel | Present |
| Jim Buccigross | 8760, Inc. |  |
| J. Cade Burks | Big Data Energy Services | Present |
| James P. Cargas | City of Houston | Present |
| Valerie Crockett | Tennessee Valley Authority | Present |
| Michael Desselle | Southwest Power Pool | Present |
| Bruce Ellsworth | New York State Reliability Council | Present |
| Greg Lander | Skipping Stone, LLC | Present |
| Debbie McKeever | Oncor Electric Delivery Company LLC |  |
| Rae McQuade\* | North American Energy Standards Board | Present |
| Lou Oberski | Dominion Resources Services, Inc. | Present |
| Randy E. Parker | ExxonMobil Gas and Power Marketing Company |  |
| Timothy Simon | TAS Strategies | Present |
| Kim Van Pelt | Boardwalk Pipeline Partners | Present |
| \*Mr. Boswell and Ms. McQuade are non-voting members of the Parliamentary Committee. | | |

1. **Other Attendance**

| **Name** | **Organization** |
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| Denise Adams | ONEOK |
| Jonathan Booe | North American Energy Standards Board |
| Pete Connor | Representing American Gas Association |
| Elizabeth Mallett | North American Energy Standards Board |
| Marcy McCain | Enbridge (U.S.) Inc. |
| Steven McCord | TransCanada Pipelines Limited |
| Ed Skiba | Midcontinent Independent System Operator |
| Karen Utt | Tennessee Valley Authority |