November 12, 2018

**TO:** Parliamentary Committee Members

**FROM:** Rae McQuade, President and COO, Bill Boswell, NAESB General Counsel & Jonathan Booe, NAESB Executive Vice President & CAO

**RE:** NAESB Governance Documents 2.0 – Certificate of Incorporation Work Paper

This work paper has been prepared to continue efforts that support the direction of the NAESB Parliamentary Committee and the NAESB Board of Directors in the review and update of the NAESB Governance Documents (NAESB Certificate of Incorporation, NAESB Bylaws, and the NAESB Operating Practice). Specifically, the work paper is intended to support activities to address item number 4 below as it relates to the NAESB Certificate of Incorporation.

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

As the NAESB Governance Documents are structured into a hierarchy, each document should be reviewed in a “top down” approach - (1) Certificate of Incorporation, (2) Bylaws, (3) Operating Practices.

The work paper identifies resolutions proposed by the Board of Directors over the last eighteen years that the Parliamentary Committee can consider for incorporation into the NAESB Governance Documents.

| **YEAR** |  | **RESOLUTION** | **DATE** |  | **DOC** |
| --- | --- | --- | --- | --- | --- |
| 2000 | 1 | Modifications to the 2000 Annual Plan to Reflect FERC Order No. 637 | 3-2-00 |  |  |
|  | 2 | Continuation of Efforts to Investigate Expansion of GISB Scope | 3-2-00 |  |  |
|  | 3 | Continuation of Efforts to Investigate Expansion of GISB Scope | 6-8-00 |  |  |
|  | 4 | Continuation of Efforts to Investigate Expansion of GISB Scope | 9-27-00 |  |  |
|  | 5 | Continuation of Efforts to Investigate Expansion of GISB Scope | 12-7-00 |  |  |
|  | 6 | Approval of the 2001 Annual Plan | 12-7-00 |  |  |
|  | 7 | Approval of the 2001 Annual Budget | 12-7-00 |  |  |
| 2001 | 8 | Continuation of Efforts to Investigate Expansion of GISB Scope | 3-1-01 |  |  |
|  | 9 | Sunset Provision – Extension through December 31, 2004 | 9-19-01 |  |  |
|  | 10 | Creation of Energy Industry Standards Board | 9-19-01 |  |  |
|  |  | Appendix A – Certificate of Amendment of Certificate of Incorporation of GISB |  |  |  |
|  | 11 | Adoption of Revised Bylaws, Wholesale Gas Quadrant Procedures, Wholesale Gas Quadrant Segment Procedures, Name Change to NAESB | 12-5-01 |  |  |
|  | 12 | Adoption of the 2002 Annual Plan for the Wholesale Gas Quadrant | 12-5-01 |  |  |
|  | 13 | Change of Name to NAESB, Shortened Ratification Period for Certificate | 12-5-01 |  |  |
|  | 14 | Adoption of the 2002 Annual Budget | 12-5-01 |  |  |
| 2002 | 15 | Creation of Retail Electric Quadrant | 3-7-02 |  |  |
|  | 16 | Creation of Technical Advisory Council | 6-28-02 |  |  |
|  | 17 | Creation of Letter of Intent with NERC | 6-28-02 |  |  |
|  | 18 | Extension of Time to Create the Retail Gas Quadrant | 6-28-02 |  |  |
|  | 19 | Acceptance of Segment Procedures for the Retail Electric Quadrant  | 6-28-02 |  |  |
|  | 20 | Establishment of Managing Committee | 8-30-02 | \* | CoI |
|  | 21 | Certificate and Bylaws Changes for Non-voting Members | 8-30-02 |  |  |
|  | 22 | Promotional Dues for the Wholesale Electric Quadrant | 8-30-02 |  |  |
|  | 23 | Revised Quadrant Procedures for the Wholesale Electric Quadrant | 8-30-02 |  |  |
|  | 24 | Creation of Executive Committee Subcommittees | 9-16-02 |  |  |
|  | 25 | Managing Committee, EC Annual Plan Subcommittee, and Formations of Subcommittees or Task Forces | 9-23-02 |  |  |
|  | 26 | Wholesale Gas Quadrant 2002 Annual Plan for Creditworthiness | 9-23-02 |  |  |
| 2002 | 27 | Clarifications to the Bylaws and Certificate | 11-21-02 |  |  |
|  |  | Appendix A – Revised Article III, Section 4 of the CertificateAppendix B – Revised Article III, Section 5 of the CertificateAppendix C – Revise Article IV, Section 3 of the CertificateAppendix D – Revise ARTICLE 5, Section 5.2 of the Bylaws  |  |  |  |
|  | 28 | Approval of Wholesale Electric, Retail Electric and Wholesale Gas 2003 Annual Plans | 11-21-02 |  |  |
|  | 29 | Approval of the 2003 Annual Budget | 11-21-02 |  |  |
|  | 30 | Approval of NERC – NAESB Memorandum of Understanding | 11-21-02 |  |  |
|  | 31 | Approval of Development of Automated Email System | 11-21-02 |  |  |
|  |  | NAESB Privacy Policy |  |  |  |
| 2003 | 32 | Resolution Regarding Adoption of NAESB Operating Practices | 3-20-03 |  |  |
|  |  | Appendix A – NAESB Operating Procedures – Procedures for Standards Development and Maintenance, II. |  |  |  |
|  | 33 | Memorandum of Understanding of NERC, NAESB and IRC | 3-20-03 |  |  |
|  | 34 | Adoption of the 2003 Retail Gas Quadrant Annual Plan | 3-20-03 |  |  |
|  | 35 | Guidance to Executive Committee on Further Consideration of Creditworthiness Standards | 3-06-03 |  |  |
|  | 36 | Adoption of the 2004 Budget, the extension of the Promotional Dues program, and the 2004 Annual Plans | 12-4-03 |  |  |
| 2004 | 37 | Request R03035 Scope Question – Gas Quality | 2-17-04 |  |  |
|  | 38 | Disposition of Request R03035 – Gas Quality | 3-18-04 |  |  |
|  | 39 | Amendments to the 2004 Annual Plans for Gas-Electric Coordination | 3-18-04 |  |  |
|  | 40 | Reappointment of Mr. Boswell as General Counsel | 6-10-04 |  |  |
|  | 41 | Sunset Provision | 9-16-04 |  |  |
|  | 42 | Creation of Board Committees | 9-16-04 |  |  |
|  | 43 | Approval of the 2005 Annual Plans | 12-9-04 |  |  |
|  | 44 | Creation of Membership Requirements Committee | 12-9-04 |  |  |
|  | 45 | Adoption of the 2005 Annual Budget | 12-9-04 |  |  |
|  | 46 | Adoption of the 2005 Conference Calling Policy | 12-9-04 |  |  |
|  |  | Appendix A – NAESB Conference Calling Administration Policy |  |  |  |
| 2005 | 47 | Appointment of Rae McQuade as President of NAESB | 3-3-05 | \* | CoI |
|  | 48 | Designation of June 2005 Meeting of the Board of Directors as the 2005 Annual Meeting | 3-3-05 |  |  |
|  | 49 | Approval of the Gas-Electric Interdependency Report and Charge to the Gas-Electric Interdependency Committee to Draft a Standards Development Request to be Presented at the September 22, 2005 Board Meeting | 6-22-05 |  |  |
|  | 50 | Disposition of Request R03035 – Gas Quality | 6-22-05 |  |  |
|  | 51 | Approval of D-U-N-S® Report | 12-13-05 |  |  |
|  |  | Report on Findings and Recommendation of the D-U-N-S® Task Force |  |  |  |
|  | 52 | Approval of Certification Program | 12-13-05 |  |  |
|  |  | Final Report of Board Certification Committee |  |  |  |
|  | 53 | Approval of Report of Retail Structure Review Committee | 12-13-05 |  |  |
|  |  | Restructure Review Committee Final Repot |  |  |  |
|  | 54 | TLR Business Practices | 12-13-05 |  |  |
|  | 55 | Adoption of the 2006 Annual Plans | 12-13-05 |  |  |
|  | 56 | Approval of the 2006 Annual Budget | 12-13-05 |  |  |
| 2006 | 57 | Approval of the Gas-Electric Interdependency Report adopted unanimously by the NAESB Gas-Electric Interdependency Committee on February 3, 2006 and adopted by the NAESB Board of Directors on February 17, 2006 by notational ballot.  | 2-17-06 |  |  |
|  | 58 | Adoption of the 2006 Annual Plans | 3-23-06 |  |  |
|  | 59 | Adoption of the 2006 Annual Plans | 6-22-06 |  |  |
|  | 60 | Adoption of the 2006 Annual Plans | 9-21-06 |  |  |
|  | 61 | Retail Structure Review Committee Recommendation | 12-14-06 |  |  |
|  | 62 | Adoption of the 2006 Annual Plans | 12-14-06 |  |  |
|  | 63 | Adoption of the 2007 Annual Plans | 12-14-06 |  |  |
|  | 64 | Approval of the 2007 Annual Budget | 12-14-06 |  |  |
| 2007 | 65 | Promotional Dues Program | 1-16-07 |  |  |
|  | 66 | Adoption of the 2007 Annual Plans | 3-22-07 |  |  |
|  | 67 | Task the WGQ Executive Committee with Annual Plan revisions to address FERC Order 698 | 6-28-07 |  |  |
|  | 68 | Adoption of the 2007 Annual Plans | 6-28-07 |  |  |
|  | 69 | Adoption of the 2007 Annual Plans | 9-27-07 |  |  |
|  | 70 | Retail Structure Review Committee 2007 Final Report | 12-13-07 |  |  |
|  | 71 | Adoption of the 2007 Annual Plans | 12-13-07 |  |  |
| 2007 | 72 | Adoption of the 2008 Annual Plans | 12-13-07 |  |  |
|  | 73 | Adoption of the 2008 Annual Budget | 12-13-07 |  |  |
| 2008 | 74 | Adoption of the 2008 Annual Plans | 3-27-08 |  |  |
|  | 75 | Adoption of the 2008 Annual Plans | 6-26-08 |  |  |
|  | 76 | Adoption of the Dues and Non-Dues Revenue Task Force of the Board Recommendation | 9-25-08 |  |  |
|  | 77 | Adoption of Changes to the NAESB Certificate | 9-25-08 |  |  |
|  | 78 | Adoption of Changes to the NAESB Operating Procedures | 9-25-08 |  |  |
|  | 79 | Adoption of the NAESB Policy and Efficient Standards Development | 9-25-08 | \* | Bylaws |
|  | 80 | Adoption of the 2008 Annual Plans | 10-20-08 |  |  |
|  | 81 | Adoption of the 2009 Annual Budget | 12-18-08 |  |  |
|  | 82 | Adoption of the Retail Structure Review Committee Report and Recommendation | 12-18-08 |  |  |
|  | 83 | Adoption of the 2008 Annual Plans | 12-18-08 |  |  |
| 2009 | 84 | Adoption of Waiver of Minimum Membership Requirements for the Retail Quadrants | 3-26-09 |  |  |
|  | 85 | Adoption of the 2009 Annual Plans | 3-26-09 |  |  |
|  | 86 | Adoption of the 2009 Annual Plans | 6-25-09 |  |  |
|  | 87 | Adoption of the 2009 Annual Plans | 9-25-09 |  |  |
|  | 88 | Adoption of the 2010 Annual Budget | 12-10-09 |  |  |
|  | 89 | Adoption of the 2010 Annual Plans | 12-10-09 |  |  |
|  | 90 | Adoption of the 2009 Annual Plans | 12-10-09 |  |  |
| 2010 | 91 | Adoption of the Resolution to WEQ Annual Plan Item regarding Best Practices for Demand Response Products and Procedures | 3-25-10 |  |  |
|  | 92 | Adoption of the Waiver of Minimum Membership Requirements for the Retail Quadrants | 3-25-10 |  |  |
|  | 93 | Adoption of the 2010 Annual Plans | 3-25-10 |  |  |
|  | 94 | Formal Comments Procedures and Timing | 6-24-10 | \* | Bylaws |
|  | 95 | Adoption of the 2010 Annual Plans | 6-24-10 |  |  |
|  | 96 | Adoption of the 2010 Annual Plans | 9-23-10 |  |  |
|  | 97 | Adoption of the IRS Policy 990 Changes | 9-23-10 |  |  |
|  | 98 | Adoption of the 2010 Annual Plans | 12-9-10 |  |  |
|  | 99 | Adoption of the 2011 Annual Budget | 12-9-10 |  |  |
|  | 100 | Direction to the Parliamentary Committee (notational voting) | 12-9-10 | \* | Bylaws |
| 2010 | 101 | Adoption of the 2011 Annual Plans | 12-9-10 |  |  |
| 2011 | 102 | Adoption of the 2011 Annual Plans | 3-24-11 |  |  |
|  | 103 | Adoption of the Waiver of Minimum Membership Requirements for the Retail Quadrants | 3-24-11 |  |  |
|  | 104 | Adoption of Revisions to the NAESB Operating Practices | 3-24-11 |  |  |
|  | 105 | Adoption of the 2011 Annual Plans | 6-23-11 |  |  |
|  | 106 | Adoption of the 2011 Annual Plans | 9-22-11 |  |  |
|  | 107 | Adoption of the Certification Committee document on ACA Requirements | 9-22-11 |  |  |
|  | 108 | Adoption of the 2011 Annual Plans | 12-8-11 |  |  |
|  | 109 | Adoption of the 2012 Annual Budget | 12-8-11 |  |  |
|  | 110 | Adoption of the 2012 Annual Plans | 12-8-11 |  |  |
| 2012 | 111 | Adoption of the 2012 Annual Plans | 3-22-12 |  |  |
|  | 112 | Adoption of Revisions to the NAESB Operating Practices (designated alternates) | 3-22-12 | \* | Bylaws |
|  | 113 | Adoption of the 2012 Annual Plans | 6-21-12 |  |  |
|  | 114 | Adoption of the 2012 Annual Plans | 9-20-12 |  |  |
|  | 115 | Adoption of the Revenue Committee Recommendation | 9-20-12 |  |  |
|  | 116 | Adoption of the NAESB Policy Concerning Communications with Media and Press | 9-20-12 | \* | Bylaws |
|  | 117 | Adoption of the Managing Committee Recommendation Concerning the Number and Format of Board Meetings | 9-20-12 |  |  |
|  | 118 | Adoption of Changes to the Board Certification Process | 9-20-12 |  |  |
|  | 119 | Adoption of the Gas-Electric Harmonization Report | 9-20-12 |  |  |
|  | 120 | Adoption of the 2012 Annual Plans | 12-6-12 |  |  |
|  | 121 | Adoption of the 2013 Annual Budget | 12-6-12 |  |  |
|  | 122 | Adoption of the Retail Restructure Review Committee Recommendation | 12-6-12 |  |  |
|  | 123 | Adoption of Revised Bylaws Section 9.7 | 12-6-12 |  |  |
|  | 124 | Adoption of the 2013 WGQ Annual Plan | 12-6-12 |  |  |
|  | 125 | Adoption of the 2013 WEQ Annual Plan | 12-6-12 |  |  |
|  | 126 | Adoption of the 2013 Retail Annual Plan | 12-6-12 |  |  |
| 2013 | 127 | Adoption of the 2013 Annual Plans | 4-4-13 |  |  |
|  | 128 | Adoption of the Retail Structure Review Committee Recommendation | 4-4-13 |  |  |
|  | 129 | Adoption of the NAESB Self-Executing Copyright Procedure and Waiver | 4-4-13 | \* | Bylaws |
|  | 130 | Adoption of the 2013 Annual Plans | 9-5-13 |  |  |
|  | 131 | Adoption of Revised Bylaws Section 1.1 and New Bylaws Article 19 – Contributions to Standards and Model Business Practices, Section 19.1 – Assignment of Rights in Contributions | 9-5-13 |  |  |
|  | 132 | Adoption of the 2013 Annual Plans | 12-12-13 |  |  |
|  | 133 | Adoption of the 2014 Annual Budget | 12-12-13 |  |  |
|  | 134 | Adoption of the 2014 Annual Plans | 12-12-13 |  |  |
| 2014 | 135 | Adoption of the 2014 Annual Plans | 4-3-14 |  |  |
|  | 136 | Adoption of the Revenue Committee Recommendation | 4-3-14 |  |  |
|  | 137 | Adoption of Revisions to the WEQ and WGQ 2014 Annual Plans related to Gas-Electric Harmonization | 4-3-14 |  |  |
|  | 138 | Adoption of Directive to the WGQ Executive Committee regarding the FERC NOPR on Gas-Electric Coordination | 4-3-14 |  |  |
|  | 139 | Adoption of Determination of Changes to Forward to the Executive Committee (s) from the Gas-Electric Harmonization Forum Efforts | 6-4-14 |  |  |
|  | 140 | Adoption of the 2014 Annual Plans | 9-11-14 |  |  |
|  | 141 | Adoption of Board Revenue Committee Recommendation Concerning the Elimination of Subsegment | 9-11-14 |  |  |
|  | 142 | Adoption of Board Strategic Plan Task Force Recommendations and Report | 9-11-14 |  |  |
|  | 143 | Adoption of Board Certification Program Committee Recommendation Concerning NAESB Certification Program for Third Party Data Privacy Practices | 9-11-14 |  |  |
|  | 144 | Adoption of Parliamentary Committee Recommendation to Extend the Sunset Resolution of the Organization to December 31, 2024 | 9-19-14 |  |  |
|  | 145 | Adoption of 2014 Annual Plans | 12-11-14 |  |  |
|  | 146 | Adoption of 2015 Annual Plans | 12-11-14 |  |  |
|  | 147 | Adoption of 2015 Annual Budget | 12-11-14 |  |  |
|  | 148 | Adoption of Board Certification Program Committee Recommendation to Amend the NAESB Authorized Certification Authority Process | 12-11-14 |  |  |
|  | 149 | Adoption of Managing Committee Recommendation to Consider a Fee Increase for Participation in the Electric Industry Registry | 12-11-14 |  |  |
|  | 150 | Adoption of Parliamentary Committee Recommendation to Permanently Merge the Retail Electric and Retail Gas Quadrants | 12-11-14 |  |  |
| 2015 | 151 | Adoption of 2015 Annual Plans | 4-9-15 |  |  |
|  | 152 | Recommend the Parliamentary Committee to continue the development of a process for the removal of directors | 4-9-15 |  |  |
|  | 153 | Adoption of 2015 Annual Plans | 9-3-15 |  |  |
|  | 154 | Adoption of Parliamentary Committee Recommendation to provide a process for the removal of Board members in the event of malfeasance, misfeasance or nonfeasance by the member | 9-3-15 |  |  |
|  | 155 | Adoption of 2015 Annual Plans | 12-10-15 |  |  |
|  | 156 | Adoption of 2016 Annual Budget | 12-10-15 |  |  |
|  | 157 | Adoption of Revenue Committee Recommendation to provide clarification regarding the NAESB membership policy | 12-10-15 | \* | Bylaws |
|  | 158 | Adoption of Certification Program Committee Recommendation to Amend the NAESB Authorized Certificate Authority Process | 12-10-15 |  |  |
|  | 159 | Adoption of 2016 Annual Plans | 12-10-15 |  |  |
| 2016 | 160 | Adoption of 2016 Annual Plans | 4-7-16 |  |  |
|  | 161 | Adoption of Modifications to the 2016 WEQ and WGQ Annual Plans | 6-21-166-24-16 |  |  |
|  | 162 | Adoption of 2016 Annual Plans | 9-1-16 |  |  |
|  | 163 | Adoption of 2016 Annual Plans | 12-8-16 |  |  |
|  | 164 | Adoption of 2017 Annual Budget | 12-8-16 |  |  |
|  | 165 | Adoption of the Board Strategic Plan Ad Hoc Task Force Recommended 2017-2019 Strategic Plan | 12-8-16 |  |  |
|  | 166 | Adoption of Certification Program Committee Recommendation to Amend the NAESB Authorized Certificate Authority Process | 12-8-16 |  |  |
|  | 167 | Adoption of 2017 Annual Plans | 12-8-16 |  |  |
| 2017 | 168 | Adoption of 2017 Annual Plans | 4-6-17 |  |  |
|  |  | Adoption of 2017 Annual Plans | 9-7-17 |  |  |
|  | 169 | Adoption of Parliamentary Committee Recommendation to provide a process for “weighted voting” by the Board of Directors to resolve inconsistencies within the NAESB governance documents concerning majority voting  | 9-26-17 |  |  |
|  | 170 | Adoption of 2017 Annual Plans | 12-14-17 |  |  |
|  | 171 | Adoption of 2018 Annual Budget | 12-14-17 |  |  |
|  | 172 | Adoption of 2018 Annual Plans | 12-14-17 |  |  |
| 2018 | 173 | Adoption of WEQ 2017 Annual Plan and 2018 Annual Plans | 4-5-18 |  |  |

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED AUGUST 30, 2002**

**Establishing Board Managing Committee**

**WHEREAS**, pursuant to Article 7.8(a) of the Bylaws, the Board by majority vote may create certain committees and specify their functions, and

**WHEREAS**, due to the increasing size of the Board as a result of Quadrant formation, it would be helpful to the Chairman & CEO to provide him and the Executive Director assistance in managing and administering the affairs of the corporation between Board meetings, and making the meetings of the Board as efficient and effective as may be practicable, and

**WHEREAS**, it would also be helpful to have certain managerial functions addressed by a representative group from within the Board,

**NOW, THEREFORE**, the Board of Directors of the North American Energy Standards Board hereby establishes a Managing Committee, consisting of the Chair, the Past Chairs (who are currently members of the Board), the Board Vice Chairs of each of the Quadrants, and the Executive Director (who shall be secretary of the committee and shall have a voice in the committee’s business but no vote), and

**FURTHER**, assigns to the said Managing Committee the following responsibilities:

1. Assisting the Chair and the Executive Director in establishing the agenda of the meetings of the Board,
2. Assisting the Chair and the Executive Director in preparing and monitoring financial matters of the corporation, including budgets, audit reports and the like, and reviewing reports of such matters prior to their submittal to the Board,
3. Assisting in the creation and review of the Quadrant Annual Plans, prior to their submittal for Board approval,
4. Acting as a compensation & benefits committee, including reviewing and establishing staff benefits and setting the compensation of the Executive Director,
5. Acting as an editorial review committee to approve formal communications of an external nature, including written communications with regulatory agencies and the media,
6. Acting to review legal and personnel matters of a confidential nature, and
7. Acting in any other matter which would require Board approval, except for those matters specifically reserved to the full Board by the Bylaws, and for those matters which require more than a simple majority vote of the Board. In the case of actions taken under this provision, they shall be reported to the Board at its next meeting, and may be discussed under “new business” at the request of any member.

**AND FURTHER** resolves that the Managing Committee may establish sub-committees, consisting of members of the Managing Committee and other Board members. A member of the Managing Committee shall chair any sub-committees.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED March 3, 2005**

**Appointment of Rae McQuade as President of NAESB**

**RESOLVED**, that the Executive Director and Chief Operating Officer, Rae McQuade, is herewith designated President of the North American Energy Standards Board in addition to her other titles; and further

**RESOLVED**, that her duties as an officer remain as those set forth in Article II, Section 7 of the Certificate.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED September 25, 2008**

**Adoption of the NAESB Policy on Efficient Standards Development**

Ms. Crockett moved, seconded by Mr. Chapman that

**whereas**, the Parliamentary Committee considered the draft policy on efficient standards development as remanded by the Board of Directors on June 26, 2008, and

**whereas**, the Parliamentary Committee amended the draft policy and unanimously supports the amended draft policy, and

**whereas**, the Managing Committee unanimously supports the recommendation of the Parliamentary Committee, therefore,

**be it resolved**, the [NAESB Policy on Efficient Standards Development](http://www.naesb.org/pdf3/bd092508a2.doc) as amended by the Parliamentary Committee is adopted by the Board of Directors. The motion passed a simple majority vote.

While segment blocks[[1]](#footnote-1) play an important role in protecting the interests of a market segment and protecting the interests of a minority position, it is the hope of the Board of Directors that segment blocks are rare, minimized and not a part of a routinely used strategy for voting. If a segment block is inevitable, it should be determined quickly and processed quickly. Where segment blocks may occur due to the controversial nature of the standards development that may indicate unresolved policy issues, steps should be taken to expedite the definitive determination of opposition and if progress could be made through a variety of actions. Should it be determined that consensus is not possible, then a decision can be made so that resources can be more effectively applied to other development efforts. Below are four actions that may be taken to increase standards development efficiency and to obtain decisions quickly when it may be difficult to achieve support from all segments in a given standards development project:

* For controversial and high visibility projects, the board may establish timelines at the outset for the entire project in more detail than just the date provided for the annual plan entry.
* For controversial or high visibility projects, EC leadership or the Executive Director may request of the Managing Committee, that facilitators be engaged at the onset to support the standards development process.
* When the Executive Committee leadership determines that a single segment block is expected and this is communicated to the Managing Committee or the board, all board members of the relevant quadrant will be contacted to determine if steps can be taken that would prevent a single segment block. The board may establish timelines to ensure the effective use of resources.
* FERC staff or other applicable regulatory staff assistance shall be requested only by the Managing Committee if needed to overcome technical questions that are impeding the progress of subcommittees in standards development efforts.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED June 24, 2010**

**Formal Comments Procedures and Timing**

Board Resolution: Mr. Cleveland stated that the Managing Committee met prior to the board meeting to provide guidance to Executive Committee members on how to best manage formal comments. Ms. McQuade provided the context for the resolution. NAESB’s smart grid efforts include a large number of groups that are new to the NAESB process. The work products being created by the task force will represent WEQ and REQ market requirements that can also support the work other groups are currently drafting. The standards developed by NAESB are considered seed standards that these other groups can use to develop their work product. The Board Resolution stated:

**WHEREAS**

 The NAESB Smart Grid Standards Subcommittees include participation and leadership from many standards groups who will depend on NAESB work products as they proceed in their own efforts, and

NAESB standards developed to support Smart Grid activity should strive, where feasible, to be consistent for both the wholesale and retail electric market applications, now therefore

**BE IT RESOLVED THAT**

 the Board of Directors determines that the Smart Grid standards developed by the wholesale and retail electric executive committees should strive to be consistent in all areas excepting where there are substantive jurisdictional differences,

 the Board of Directors urges the wholesale and retail electric executive committees to show great deference to the work products provided by the Smart Grid Standards Subcommittees, and provide explanations when substantively deviating from the subcommittee recommendations for standards, and

 for the phase 1 Priority Action Plans 3, 4 and 9 smart grid standards recently adopted, the Board of Directors requests the wholesale electric executive committee to reconsider the changes made by the executive committee to the subcommittee work products in light of this resolution and make changes accordingly, and

the Board of Directors considers that participants need sufficient time to consider comments prior to taking action; thus, henceforth 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 reason(s). It shall be the responsibility of any party filing late comments to demonstrate such compelling reason(s). The committee members, by balanced segment vote, shall determine whether to consider such late comments at that meeting.

The rule will carry forward to all future joint recommendations for consistency measures and all recommendations for timing of submittal of comments. The board resolution passed unanimously.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED December 9, 2010**

**Direction to the Parliamentary Committee**

Mr. Cargas moved, seconded by Mr. Phillips, that the Parliamentary Committee consider incorporating the text [of the notational balloting procedures-- [update](http://www.naesb.org/pdf4/managing110210a1.doc)] into the operating procedures and present it to the Board for adoption at the next meeting. The motion unanimously passed a simple majority vote.

Notational ballots are primarily a tool to permit parties to vote when they did not have the opportunity to do so at meetings where votes are taken but where there were insufficient votes cast at the meeting to determine the outcome of an issue. In the case of EC votes on standards, NAESB's certificate and bylaws require specific voting thresholds for a standard to be passed; thus, notational ballots facilitate the process of adopting (or not adopting) standards. NAESB's practice has been as follows:

1) In a meeting where there are a sufficient number of voting members present (in person or through their alternates) to adopt a standard and the vote is announced on a motion, it is final as to that motion. In other words, no one may change their vote after the result is announced. The only way to do anything further is via a motion to reconsider.

2) In a meeting where there is an insufficient number of voting members present (in person/phone or through alternates) to adopt a standard and a notational ballot is sent out, it goes only to those members who have not previously cast their votes. The votes cast at the meeting are final after that portion of the meeting is concluded and the only issue is counting the votes of the members who have been sent notational ballots. The standard is adopted or not based upon that vote count. In all other respects the matter is handled in the same fashion as if all were at the meeting.

3) In the case of a complex matter, or for other good cause, the chair(s) have had and continue to have the discretion to announce that a vote will be taken by notational ballot. This announcement must precede the vote or be made during the meeting. As long as notice is given at the meeting and there is no objection by the group, the vote proceeds in that fashion and all may vote notationally until the announced close of the notational voting period.

4) The default process at NAESB is as described in 1 and 2. Item 3 is available in lieu of the default as indicated above. The reason for the default is that NAESB is committed to an open, transparent process which can best be achieved in an open meeting. With 3 the open meeting still takes place and open discussion occurs but the vote itself is notational because the chair(s), in the exercise of their sound discretion, and without objection from the group, consider that it will facilitate the process. Everyone thus understands the rule and it applies equally to everyone voting.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED March 22, 2012**

**Adoption of Revisions to the NAESB Operating Practices**

Mr. Desselle moved to adopt the [recommendation](http://www.naesb.org/pdf4/parliamentary011212a1.docx) of the Parliamentary Committee and Mr. Lander seconded the motion. The motion passed a simple majority vote without opposition.

Abstention Voting at the EC

If a member of the EC abstains from a vote such member’s right to vote shall pass to the designated segment alternate to cast the vote. If the designated alternate abstains, the right to vote shall pass to the next designated segment alternate, in succession, until a vote is cast. No less than one business day prior to the EC action requiring a vote, each segment shall inform the NAESB office in writing of the order in which its designated alternates shall vote in the case of abstentions; in the absence of such designation, the succession shall be upon the basis of seniority as an alternate.

Full Staffing

The NAESB practice of full staffing is to be employed when there are interdependencies in the development of standards that would require an iterative approach.

This process is applied when the technical standards developed to support business practices may require changes to the business practices, or it is impractical to implement the business practices without the supporting technical standards completed. The business practices are adopted by the applicable quadrant EC(s), but they are not ratified until the technical standards are complete. In this manner, there is an opportunity to change the business practices if needed, and an indication of industry support is attained through the EC vote on the business practices prior to undertaking the technical development.

Similarly, implementation of business practices that may be dependent on other organization’s or other quadrant’s work products can use the process of full staffing to approve the business practices yet begin the ratification process after the dependent activity is complete, thus providing an opportunity for the business practices to be modified to take into account the other organization’s or quadrant’s work products. By doing such, the standards development in NAESB may be more effectively coordinated and timed for release with other organization’s or quadrant’s work products.

For the applicable EC(s) to use the full staffing process, first there will be a simple majority vote to determine if full staffing is required, which would imply a delay of ratification until the interdependent development is completed. Following the full staffing vote, the business practice standard(s) would be adopted pursuant to a super majority vote.. Prior to ratification, should it be determined that additional change(s) are required to the EC adopted standard(s), the change(s would follow the existing process for standards development. At any time, the applicable EC(s) can determine to stop the full staffing process and begin the ratification process through a simple majority vote.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED September 20, 2012**

**Adoption of the NAESB Policy Concerning Communications with Media and Press**

Ms. Desselle provided an update of the Managing Committee activities on [July 20, 2012](http://www.naesb.org/pdf4/managing072012notes.docx) and [August 24, 2012](http://www.naesb.org/pdf4/managing082412notes.docx). He reviewed the NAESB policy concerning communications with the media or press adopted by the Managing Committee on July 20, 2012. Mr. Oberski made a motion to ratify the action of the Managing Committee and adopt the media and press policy. Mr. Fusco seconded the motion and the motion passed a simple majority vote.

Any external communication with a member of the media or press made as a representative of the North American Energy Standards Board (NAESB), or citing leadership roles within NAESB, must be approved by the NAESB Managing Committee prior to release or disclosure of the communication. This policy does not prohibit communications with the media or press made in any other capacity; however, members shall make clear that they are speaking for themselves or their organizations and that any NAESB office or position they might occupy is not relevant to the subject matter of the discussion. Failure to gain the approval of the NAESB Managing Committee prior to any release or disclosure to the media or press may result in the forfeiture of leadership positions within the organization.

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED April 4, 2013**

**Adoption of the NAESB Self-Executing Copyright Procedure and Waiver**

Mr. True made a motion to adopt the recommended [copyright waiver procedure](http://naesb.org/pdf4/self-executing_waiver_procedure.pdf) and the [waiver](http://naesb.org/pdf4/self-executing_waiver.pdf) itself. Mr. Stites seconded the motion. The motion passed a simple majority vote.

**NAESB Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver**

The North American Energy Standards Board (NAESB) and its predecessor organization, the Gas Industry

Standards Board, have granted limited copyright waivers to entities since their creation. As the integrity of

copyright protection is diminished if not enforced, it is essential that NAESB make every effort to enforce its copyrights, including the grant of limited copyright waivers when protected language must be made public. The limited copyright waiver serves as a tool to allow access to protected materials when such access is necessary for any number of reasons including the clear articulation of a tariff provision by an entity when reference to a standard is insufficient for comprehension of the provision. For the purpose of clarity, NAESB has memorialized the following process for the grant of limited copyright waivers.

1. As a self-executing waiver, NAESB members or non-members with valid access to NAESB standards through purchase may publish in their tariffs, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided the member or nonmember includes appropriate citations in the submission.

2. Citations must state in the publication that the language has been reproduced subject to a limited copyright waiver from NAESB with all rights reserved. The following citation should be used:

“© YEAR NAESB, all rights reserved.”

3. NAESB encourages members and non-members with valid access to NAESB standards through purchase to publish the minimum necessary copyright protected language required to meet their needs.

4. Specific to NAESB data set standards, using standalone data element names, descriptions, code values, or error messages in a software product or displayed on a webpage is not a violation of the NAESB Copyright Policy, provided the user has legitimate access to the data set standard.

5. A member or a purchaser of standards is provided through this procedure an irrevocable waiver that reflects the conditions set forth above, which shall remain irrevocable as long as the stated conditions are complied with by the member or purchaser of standards.

6. Any questions concerning the NAESB Copyright Procedure Regarding Member and Purchaser Self Executing Waiver process should be directed to the NAESB office (naesb@naesb.org; (713) 356-0060).

**NORTH AMERICAN ENERGY STANDARDS BOARD**

**BOARD OF DIRECTORS RESOLUTION APPROVED December 10, 2015**

**Adoption of Revenue Committee Recommendation to provide clarification regarding the NAESB membership policy**

**WHEREAS**, the Revenue Committee identified a loss in revenue due to membership resignations that can be attributed to the consolidation of multiple memberships due to changes in corporate structure of the member company or to budget restraints;

**WHEREAS**, modifications to the corporate structure of energy related companies appears to be a growing/continuing trend within the industry, and the consolidation of multiple memberships as a result of this trend may have a significant impact on revenue generated by membership fees within NAESB;

**BE IT RESOLVED**, that the Board of Directors of NAESB hereby accepts the following proposed clarification to the membership policy within NAESB to be effective January 1, 2017:

“Multiple entities under common control within a corporate organization that desire to become members must join individually. Members cannot extend their membership to their parent company, affiliates, subsidiaries, divisions or joint ventures. Affiliates, subsidiaries, divisions or joint ventures that are regulated at a state or federal level and are required to file individual tariffs that reference NAESB standards must hold individual memberships or purchase the standards.”

1. Segment block refers to the inability of a segment of the EC to achieve the 40% affirmative vote for a standard action to be approved (see Article V, § 4 of the NAESB Certificate of Incorporation and Article 2, § 2.3 of the NAESB Bylaws). [↑](#footnote-ref-1)