

September 23, 2014

**VIA OVERNIGHT MAIL**

Sheri Young, Secretary of the Board  
National Energy Board  
517 – 10<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2R 0A8

RE: *North American Electric Reliability Corporation*

Dear Ms. Young:

The North American Electric Reliability Corporation (“NERC”) hereby submits Notice of Filing of the North American Electric Reliability Corporation of the Bylaws and Reliability Standards Development Procedures of the Western Electricity Coordinating Council. NERC requests, to the extent necessary, a waiver of any applicable filing requirements with respect to this filing.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ William H. Edwards

William H. Edwards  
*Counsel for the North American Electric  
Reliability Corporation*

Enclosure

3353 Peachtree Road NE  
Suite 600, North Tower  
Atlanta, GA 30326  
404-446-2560 | [www.nerc.com](http://www.nerc.com)



Criteria,” and to set forth a process for the WECC Board of Directors to schedule and conduct reviews of the structure and governance of WECC after the first full year of operation following internal bifurcation. The changes to the Bylaws also remove from the Bylaws provisions related to standard development that are contained in the WECC RSDP and consolidate the remaining provisions related to standard development into one Section 8.7 in the Bylaws.

NERC has included a clean and redline version of the WECC RSDP as Attachments 1 and 2, respectively. A clean and redline version of the WECC Bylaws are found in Attachments 3 and 4, respectively. Finally, a clean and redline version of the WECC Common Attributes in Exhibit C of the WECC Delegation Agreement are found in Attachments 5 and 6, respectively. There are no proposed changes to the WECC Delegation Agreement other than the proposed changes to the WECC Bylaws, Exhibit C, and the WECC RSDP.

## **I. NOTICES AND COMMUNICATIONS**

Notices and communications with respect to this filing may be addressed to the following:

Charles A. Berardesco  
Senior Vice President and General Counsel  
Holly A. Hawkins  
Associate General Counsel  
William H. Edwards  
Counsel  
North American Electric Reliability Corporation  
1325 G Street, N.W., Suite 600  
Washington, D.C. 20005  
(202) 400-3000  
(202) 644-8099 – facsimile  
[charlie.berardesco@nerc.net](mailto:charlie.berardesco@nerc.net)  
[holly.hawkins@nerc.net](mailto:holly.hawkins@nerc.net)  
[william.edwards@nerc.net](mailto:william.edwards@nerc.net)

Gerald W. Cauley  
President and Chief Executive Officer  
North American Electric Reliability  
Corporation 3353 Peachtree Road  
Suite 600, North  
Tower Atlanta,  
GA 30326  
(404) 446-2560  
(404) 467-0474 – facsimile

## II. **PROPOSED WECC RSDP**

The currently effective version of the WECC Delegation Agreement became effective on December 6, 2013. The proposed amendments revise the WECC RSDP and Exhibit C of the WECC Delegation Agreement to revise the process to gain efficiencies based on WECC's experience to date, including: (1) to revise and expand existing definitions; (2) to separate the WECC RSDP into separate sections for the "Normal Process" for development and an "Expedited Action"; (3) to update the timeline in Exhibit C: Common Attributes; and, (4) to adjust the table of contents to correlate with the other changes. The proposed revisions also implement various updates, corrections, and typographical and format changes. The discussion in the following subsections describes the proposed amendments to the WECC RSDP.

### **A. Introduction**

The introductory paragraph with itemized steps for the process of introducing and solemnizing new Reliability Standards is removed and replaced with a description of WECC and an explanation of the RSDP. The definition of "WECC Standards Committee" is removed and relocated in the "Definitions" section. Other changes are made to improve the text or correct grammatical inconsistencies.

### **B. Definitions**

A new term, "Ballot Pool," is added and defined as "[t]hat pool of Ballot Body entities that have registered to vote on a specific document."

A new term, "Day," is added and defined as:

All references to days are calendar days. When counting the number of days, the count shall exclude the first day of the time window to be measured. If a terminus date falls on a weekend or a

day that WECC is scheduled to be closed, the new terminus date shall be the day following the weekend or WECC closure day. For example, if a 15-day period ends on a holiday the terminus date is on the following WECC business day.

A new term, “Drafting Team (DT),” is added and defined as:

A team of pertinent subject matter experts (SME) that was appointed by the WECC Standards Committee (WSC) to develop the document(s) that were called for in a Standard Authorization Request (SAR) consider and respond to industry comments, participate in forums to help build consensus on draft documents, and perform other tasks as assigned by the WSC.

A new term, “Electric Line of Business,” is added and defined as “[t]he generation, transmission, distribution, or trading of electricity or the provision of related energy services in the Western Interconnection.”

A new term, “NERC Compliance Registry,” is added and defined as “[r]egistry of the Bulk Electric System owners, operators, and users that are subject to approved reliability standards.”

A new term, “Non-Substantive Changes,” is added and defined as:

A Non-Substantive Change is one that does not change the scope, applicability, intent of the document, or the actions required by affected entities. For example, Non-Substantive Changes include, but are not limited to: correcting grammar or sentence structure, typographical or spelling errors, font and formatting, numbering, references, adding an obviously missing word, or rephrasing a statement to improve its clarity. Non-Substantive Changes do not require, but may receive posting for comments and/or revision of the document under these Procedures.

A new term, “Other Projects (OP),” is added and defined as “[a]ny document type other than an RRS developed under these Procedures. These include, but are not limited to, WECC Criteria.”

A new term, “Participating Stakeholder,” is added and defined as “[a]ny person or entity

that is not a WECC Member, but who has applied for and been granted participating stakeholder rights as defined and currently set forth in the WECC Bylaws.”

A new term, “Regional Reliability Standard (RRS),” is added and defined as:

A requirement approved by FERC under Section 215 of the Federal Power Act, to provide for reliable operation of the Bulk Electric System in the United States. Regional Reliability Standards are specific to the Western Interconnection and shall be established using these Procedures. When approved by FERC and applicable authorities in Canada and Mexico, Regional Reliability Standards shall be made part of the body of NERC Reliability Standards and shall be enforced upon all applicable Bulk-Electric System owners, operators, and users within the WECC area, regardless of membership in the region.

A new term, “Standard Authorization Request (SAR),” is added and defined as “[t]he WECC Standard Authorization Request (“SAR”) administered by the WECC Standards Department for the purpose of requesting development, revision, retirement, or interpretation of an RRS or OP.”

A new term, “Standards Briefing,” is added and defined as “[a]ny meeting initiated by WECC for the purpose of creating an open forum for discussion and explanation of an RRS or OP, generally but not exclusively held during the development process of those documents in advance of a ballot window.”

A new term, “Standards Email List (SEL),” is added and defined as “[e]mail list(s) established and maintained by WECC for the purpose of communicating due process activity; generally, but not exclusively, for standards-related activities.”

A new term, “Substantive Changes,” is added and defined as “[a] Substantive Change is one that changes the scope, applicability, intent of the document, or the actions required by affected entities. For example, Substantive Changes include but are not limited to: changes to

the functional entities listed in the applicability section of the RRS or OP, changes to the effective date, adding, deleting or revising requirements, measures or explanatory narrative. Substantive Changes to an RRS or an OP require at least one posting/comment/response cycle.”

A new term, “WECC Member,” is added and defined as “[a]ny entity that has applied and been accepted for membership in WECC and is current in the payment of dues.”

A new term, “WECC Standards Committee (WSC),” is added and defined as “Committee established by the WECC Board of Directors (Board) for the purpose of overseeing the implementation of these Procedures pursuant to its Board-approved charter.”

### **C. Overview**

The “Overview” divides the document into two sections for the development steps: one section details the “Normal Process” for Regional Reliability Standards, and the other, titled “Supporting Processes,” addresses exceptions to the normal process such as an “Expedited Process for Urgent Action” and “Regulatory Directives” as well as “Maintenance of the Procedures” and “Maintenance of RRS and OPs Documents.” A table of contents for Steps 1 through 14 is added to provide reference to each development step of the normal Reliability Standards development process.

A new subsection, “Notices,” is added to describe the type of notice required to be provided by WECC to both the public and to NERC related to Reliability Standards activities. A subsection titled “WECC Standards Committee (WSC)” is added to define the WSC role in the management of development procedures, and another subsection titled “WECC Standards Voting Sectors” is created to revise definitions for the eight Standards Voting Sectors (SVS) in which an entity may vote and to describe the process for registration and voting on Regional Reliability Standards.

#### **D. Normal Process for Regional Reliability Standards and Other Projects**

Step 1 is renamed from “Request to Revise or Develop a Standard” to “Submit and Validate a Standard Authorization Request,” and the substance of the step is revised to reflect the new process.

Step 2 is renamed from “Standard Authorization Request Validation and Submission to the WSC” to “Step 2—Complete SAR and Present to the WSC,” and the substance of the step is revised with procedures for receipt of the SAR by WECC, for the WSC to accept or remand the SAR, and for the SAR author to remedy deficiencies found by the WSC.

Step 3 is renamed from “Drafting Team Begins” to “Step 3—Convene the Drafting Team,” and the substance of the step is revised to explain the prioritization of the development of the SAR and the procedure for convening a drafting team to develop the RRS or OP required by the SAR.

“Step 4—Begin Drafting Phase and Submit Draft to WSC” is added to provide the process for beginning drafts of the new standard proposed in the SAR and what should be required in the RRS. The existing requirements for the Drafting Team are removed and replaced with a more robust description of the Drafting Team, its roles, its involvement with the new or revised standard, and requirements for the final submission of the RRS.

“Step 5—Post for Comment,” is added to explain the procedure for posting the draft of the RRS or OP for comment for a period of no less than 45 days for the first iteration and no less than 30 days for each subsequent iteration. A requirement to create an implementation plan and to provide notice that the comment period has been opened is added to this section, and directions for opening a web portal to serve as the means of receiving comments included. The WSC is directed to monitor the posting and review the posted documents to ensure the development process remains within the scope of the SAR.



“Step 6—Respond to Comments” is added to explain the process for the DT to consider and organize comments related to the proposed RRS or OP and the resulting changes to them. A requirement is added to ensure the comment posting is done within 30 days after the comment window has closed. Separate requirements are articulated for changes in the RRS or OP that are substantive and for changes that are non-substantive.

“Step 7—Submit Proposed Draft to the WSC with a Request for Ballot” is added to require the DT to present the proposed RRS or OP to the WSC with a request for ballot and to require the WSC to respond no later than its next regularly scheduled meeting. Language is also added to require the WSC to ensure the RRS or OP complies with the SAR and with FERC orders, board directives, or other regulatory directives. Several lines are added to describe the required actions of the WSC if the RRS or OP is ready for ballot or is not ready for ballot, as well as the process for a remanded RRS or OP.

“Step 8—Convene a Standards Briefing” is added to require WECC to conduct a briefing after the RRS or OP is approved by the WSC and to provide notice of that briefing 15 days or more before it occurs.

“Step 9—Form the Ballot Pool and Ballot the Standard,” is added to require an individual or entity desiring to participate in the ballot of an RRS or OP to apply to WECC for Ballot Body membership if eligible. Further guidance is added to instruct the formation of the ballot pool from the ballot body and the required notices upon the forming of the pool. A limitation on subsequent additions or withdrawals from the Ballot Pool is added, as well as the ability of the WECC Director of Standards to authorize deviations for the rule under extraordinary circumstances. The specific procedures for voting on an RRS or OP is outlined, including the following: (i) the ability of Participating Stakeholders to vote on an RRS or OP, (ii) the requirements for casting a

“Negative Vote” on an RRS or OP, (iii) the necessary quorum of two-thirds of the Ballot Pool for each vote, (iv) the requirement of a weighted majority of the Ballot Pool to approve the RRS or OP based on a clearly articulated weighting schedule, and (v) the actions available to the WSC after a vote by the Ballot Pool.

“Step 10—Initiate the Appeals Process-If Needed” is added to inform the required processes of bringing an appeal related to either a technical reliability concern or a due process concern. A line is added to ensure that the appeal does not halt development of the standard but that the appeal is settled by the Board before the Board votes for final approval of the RRS or OP.

“Step 11—Obtain Board Approval” is added to require the Board to consider the RRS or OP for approval, taking into account enumerated considerations, no later than the next regularly scheduled meeting after the close of the Ballot Pool window and recommendation for approval by the WSC. Further, lines are added describing actions of the WECC upon approval or rejection and subsequent remediation of the RRS or OP.

“Step 12—Submit RRSs for ERO Review, FERC Approval & Implementation of WECC Regional Reliability Standards” is added to describe the process for submitting a new, revised, or retired RRS to NERC for NERC and FERC approval. A line is added to clarify that the step only applies to RRSs.

“Step 13—Retire an OP” is added to provide the WSC with authority to retire a WECC OP on its own initiative if the subject matter of a NERC Reliability Standard is duplicated and retirement will not cause a reliability gap.

“Step 14—Submit a Request for Interpretation” is added to describe a “Request for Interpretation (RI)” and the process for submitting the RI on the WECC online SAR form. Certain exceptions to the Procedures are made for processing of the RIs, including the creation of an

Interpretation Drafting Team (IDT) to respond to RIs.<sup>2</sup>

#### **E. Supporting Processes**

Supporting Processes is added with four subsections as described below.

The first subsection, “Expedited Process for Urgent Action,” allows any person or entity to propose an interim RRS or OP for approval in cases requiring urgent action and allows the Board to approve the interim document with an initial effective date. A line is added that requires that the Board take action within 90 days after the initial effective date of the document.

The second subsection, “Regulatory Directives,” replaces the existing “Special Procedures for Addressing Regulatory Directives” section. In this subsection, a process is articulated for the Board to determine whether a Directive Regional Reliability Standard (DRRS) meets a federal regulatory directive, and if not, to take action to ensure that the DRRS is responsive to the regulatory directive. Requirements are added to “Regulatory Directives” requiring the Board to take certain steps to meet the regulatory obligations.

The third subsection, “Maintenance of the Procedures,” is added to describe the responsibilities of the WSC with regard to maintenance of the procedures in the RSDP, including changes to the procedures and response to comments on any redraft.

The fourth subsection, “Maintenance of RRS and OPs Documents,” is added to ensure that each RRS is reviewed periodically for the identification of needed changes if necessary and subsequent communication of the decision regarding changes.

The Standards Drafting Procedures Flowchart at the end of the WECC RSDP was

---

<sup>2</sup> In addition to the revisions that are mentioned in this section, Step 14 of the Normal Process for Regional Reliability Standards also includes instruction for the Drafting Team to make a recommendation to the Standing Committee for retirement of certain documents if that document is to be subsumed into the new PSS RRS. WECC has recognized and notified NERC that inclusion of this line is a clerical error. NERC requests that FERC act on the WECC RSDP as filed. NERC will submit WECC’s at a later date if the errata is adopted.

removed, as it is inapplicable to the revised Bylaws due to the changes in procedure.

**F. Exhibit C—Regional Standard Development Procedure**

In Common Attribute 5 of Exhibit C, the WECC Standing Committees are removed from involvement in the Reliability Standards development process. The WECC Standards Committee (WSC) will no longer be assisted by the standing committees regarding the requests for new or revised Reliability Standards.

In Common Attribute 6 of Exhibit C, an exception for Participating Stakeholders who vote for Regional Reliability Standards and Regional Criteria is added by noting that these entities may only vote on Regional Criteria that would result in a sanction to a non-WECC member. Other non-substantive revisions are made to improve the text.

In Common Attribute 7 of Exhibit C, outdated references to standard development steps in the WECC RSDP are updated to reflect changes made to that document.

In Common Attribute 9 of Exhibit C, the amount of time given to the WSC to determine the disposition of a standard request is increased from fourteen days to sixty days.

In Common Attribute 10 of Exhibit C, the amount of time given to the WSC to deliver an explanation for rejection to a requester of a standard is increased from fourteen days to thirty days.

In Common Attribute 14 of Exhibit C, the WSC is removed from the process of preparing a summary of comments received and changes made so that the drafting team has sole responsibility for this job. With regard to the time of posting of the summary, the attribute is edited to require the summary to be posed no later than the next posting of the proposed standard.

In Common Attribute 16, the process for voting on a standard is revised to allow for voting by the Ballot Pool instead of the WECC lead standing committee and to change the time

period for dating from thirty days to fifteen days after the issuance of the notice for vote. The last sentence is removed, thereby deleting the requirement that voting not begin sooner than seven days after the Joint Session of the Standing Committee where the draft was considered.

In Common Attribute 17, the word “business” is deleted so that only 15 days total are required for a vote of the Ballot Pool on a proposed standard.

In Common Attribute 18, the first sentence allowing all Ballot Body members to vote on proposed new Reliability Standards is deleted and a sentence requiring that each standard be considered by a newly formed Ballot Pool of interested members of the registered Ballot Body is added.

In Common Attribute 19, the word “non responses” is deleted and changed to “negative votes cast without explanation” to include votes that are made but that do not offer an explanation for purposes of determining whether a quorum of the Ballot Pool is achieved.

In Common Attribute 34, a bullet point is added for “Violation Severity Levels,” to require that this term be defined in the Compliance Monitoring Process.

### **III. PROPOSED WECC BYLAWS**

The proposed WECC Bylaws include a variety of amendments to the currently effective WECC Bylaws, a document found in Exhibit B of the WECC Delegation Agreement. Substantive changes to the Bylaws along with an explanation of the change are enumerated below, according to its section therein. The proposed Bylaws also implement various non-substantive, inconsequential updates, corrections, and typographical and format changes.

#### **A. Definitions**

The definition for the term “Ballot Body” is edited to remove reference to the “voting sectors” described in section 8.6.5.2 and replaced with a reference to the “voting sectors” found in

the RSDP. The definition for the term “Ballot Pool” is deleted from the definition section entirely, and the definition for “Regional Criteria” is removed and replaced with a reference to the definition of “Regional Criteria” as set forth in the NERC Rules of Procedure.

## **B. Members and Membership**

Section 4.5 (Affiliates and Distinct Business Entities) provides an alternative route to membership for Affiliates of a Member, given compliance with four subsections. Section 4.5.2, one of those subsections which evinces the requirement for affiliates who are members of the same class, is edited to add a limitation on the ability of a group of affiliates to split their single vote amongst all affiliates or designate a single Affiliate as the group’s voting Member. This limitation excludes situations as set forth in Section 8.7.6 of the Bylaws (Procedures for Developing and Voting on Reliability Standards)(described below), including when Affiliates are within a single Standards Voting Sector that may only have one vote and must designate a single Affiliate as the group’s Ballot Pool member to vote in that Standards Voting Sector. Because WECC added this explicit exception in section 4.5.2, the requirement that non-WECC members identify their affiliations with other Ballot Body members and that WECC staff limit the voting of these members is removed and placed in Section 8.7.6. .. These changes allow WECC to consolidate the provisions related to Standards development in Section 8.7, including affiliate voting on Reliability Standards.

Under Section 4.9 (WECC Structure and Governance Review), a line is added to provide guidance on the commencement of the initial review of WECC performance required by Section 4.9. Under the new provision, the review will occur after the first year of operation under the July 2013 Bylaws and will be done collaboratively with the Member Advisory Committee (MAC).

### **C. Member Committees**

In the description of the WECC Standards Committee, a reference to “WECC Standards Voting Sectors” as it was described Section 8.6.5.2 is replaced with a reference to the term “WECC Standards Voting Sectors” found in the RSDP.

The subsection titled “Assessment of Standing Committee Activities” is wholly repealed. The assessment envisioned by this section has been replaced by the review of WECC’s structure and governance set forth in section 4.9, as mentioned above.

Section 8.5 (formerly titled “Procedures for Committee Decision-Making”) is revised and renamed “Procedures for Member Advisory Committee Decision-Making” to avoid confusion and to provide clarity on the type of committee for which the subsection is providing guidance.

Under Section 8.6 (Procedures for Committees other than the Member Advisory Committee), the description of “Committee Membership” in Section 8.6.4 is revised to remove the exception for interested stakeholders to vote on proposed Reliability Standards or revisions to Reliability Standards due to the fact that voting by participating stakeholders is addressed in the WECC RSDP and Section 8.7 of the Bylaws. The description of “WECC Standards Voting Sectors” in Section 8.6.5.2, including all subsections therein, is wholly removed from the WECC Bylaws. WECC also removes a lengthy, unnumbered provision in Section 8.6 called “Voting on Regional Reliability Standards and Regional Criteria.” This provision used to provide the procedure for a Ballot Body to cast a vote on a WECC Standards Committee-approved draft of a Regional Reliability Standard or Regional Criteria is removed in its entirety. These provisions were removed from Section 8.6 of the Bylaws because they are addressed in the WECC RSDP.

Under Section 8.7 (Procedures for Developing and Voting on Reliability Standards), the reference to Sections 8.6.5.2 and 8.6.5.4 for procedures and conditions of voting in Section 8.7.2 is deleted because the language in these sections was deleted as explained above. Further, the

explanation of the ability of Participating Stakeholders to vote on a proposed Reliability Standard or revision is deleted because this explanation is contained in the WECC RSDP. The complete process associated with the Board Authority to Address Regulatory Directives is deleted because this process is contained in the WECC RSDP and only a reference to the Board's authority in this regard is retained. Finally, two new sections, 8.7.5 and 8.7.6 are added to define entry into the WECC Standards Voting Sectors and to require WECC Ballot Body members to identify affiliations with other Ballot Body members, respectively. These sections were added to Section 8.7 because they were removed from Sections 8.6.5.2 and 4.5.5, respectively, as part of WECC's effort to consolidate all Reliability Standards related provisions into Section 8.7.

Respectfully submitted,

/s/ William H. Edwards

Charles A. Berardesco  
Senior Vice President and General Counsel  
Holly A. Hawkins  
Associate General Counsel  
William H. Edwards  
Counsel  
North American Electric Reliability  
Corporation  
1325 G Street, N.W., Suite 600  
Washington, D.C. 20005  
(202) 400-3000  
(202) 644-8099 – facsimile  
[charlie.berardesco@nerc.net](mailto:charlie.berardesco@nerc.net)  
[holly.hawkins@nerc.net](mailto:holly.hawkins@nerc.net)  
[william.edwards@nerc.net](mailto:william.edwards@nerc.net)

*Counsel for the North American Electric  
Reliability Corporation*

September 23, 2014



**Attachment 1**

**Reliability Standards Development Procedures  
Amended Exhibit of the Delegation Agreement Between  
North American Electric Reliability Corporation and  
Western Electricity Coordinating Council**

**Clean Version**

# RELIABILITY STANDARDS DEVELOPMENT PROCEDURES

## Introduction

The Western Electricity Coordinating Council (WECC) is a Regional Entity<sup>1</sup> authorized through a delegation agreement between the North American Electricity Reliability Corporation (NERC) and WECC pursuant to Section 215 of the Federal Power Act. NERC delegates designated powers, rights, and responsibilities to WECC regarding the administration within the Western Interconnection of electric Reliability Standards adopted or approved by NERC and the Federal Energy Regulatory Commission (FERC).

These Reliability Standards Development Procedures (Procedures) define the process to be used by WECC for the development, revision, and retirement of Regional Reliability Standards (RRS) and various Other Projects (OP) created under these Procedures.

These Procedures were established to create the structure for open and transparent due process in the development of WECC RRSs and OPs. These Procedures include, but are not limited to, public notice of intent to develop RRSs and OPs, a public comment period on the proposed documents, due consideration of comments provided, and a balanced ballot of interested stakeholders.

The Procedures shall be interpreted and applied in a manner that is consistent with the WECC Bylaws. Should any conflict arise between the Procedures and the WECC Bylaws, the WECC Bylaws will prevail.

## Definitions

### Ballot Body

That body of qualified WECC Members and non-members that register with WECC for participation in Ballot Pools.

### Ballot Pool

That pool of Ballot Body entities that have registered to vote on a specific document.

### Day

All references to days are calendar days. When counting the number of days, the count shall exclude the first day of the time window to be measured. If a terminus date falls on a weekend or a day that WECC is scheduled to be closed, the new terminus date shall be the day following the weekend or WECC closure day.

---

<sup>1</sup> Unless otherwise specified, capitalized terms are defined in the NERC Glossary of Terms Used in Reliability Standards.

For example, if a 15-day period ends on a holiday the terminus date is on the following WECC business day.

### **Drafting Team (DT)**

A team of pertinent subject matter experts (SME) that was appointed by the WECC Standards Committee (WSC) to develop the document(s) that were called for in a Standard Authorization Request (SAR) consider and respond to industry comments, participate in forums to help build consensus on draft documents, and perform other tasks as assigned by the WSC.

### **Electric Line of Business**

The generation, transmission, distribution, or trading of electricity or the provision of related energy services in the Western Interconnection.

### **NERC Compliance Registry**

Registry of the Bulk Electric System owners, operators, and users that are subject to approved reliability standards.

### **Non-Substantive Changes**

A Non-Substantive Change is one that does not change the scope, applicability, intent of the document, or the actions required by affected entities.

For example, Non-Substantive Changes include, but are not limited to; correcting grammar or sentence structure, typographical or spelling errors, font and formatting, numbering, references, adding an obviously missing word, or rephrasing a statement to improve its clarity. Non-Substantive Changes do not require, but may receive posting for comments and/or revision of the document under these Procedures.

### **Other Projects (OP)**

Any document type other than an RRS developed under these Procedures. These include, but are not limited to, WECC Criteria.

### **Participating Stakeholder**

Any person or entity that is not a WECC Member, but who has applied for and been granted participating stakeholder rights as defined and currently set forth in the WECC Bylaws.

### **Regional Reliability Standard (RRS)**

A requirement approved by FERC under Section 215 of the Federal Power Act, to provide for reliable operation of the Bulk Electric System in the United States. Regional Reliability Standards are specific to the Western Interconnection and shall be established using these

Procedures. When approved by FERC and applicable authorities in Canada and Mexico, Regional Reliability Standards shall be made part of the body of NERC Reliability Standards and shall be enforced upon all applicable Bulk-Electric System owners, operators, and users within the WECC area, regardless of membership in the region.

### **Standard Authorization Request (SAR)**

The WECC form titled *Standard Authorization Request (SAR)* administered by the WECC Standards Department for the purpose of requesting development, revision, retirement, or interpretation of an RRS or OP.

### **Standards Briefing**

Any meeting initiated by WECC for the purpose of creating an open forum for discussion and explanation of an RRS or OP, generally but not exclusively held during the development process of those documents in advance of a ballot window.

### **Standards Email List (SEL)**

Email list(s) established and maintained by WECC for the purpose of communicating due process activity; generally, but not exclusively, for standards-related activities.

### **Substantive Changes**

A Substantive Change is one that changes the scope, applicability, intent of the document, or the actions required by affected entities.

For example, Substantive Changes include but are not limited to:

- changes to the functional entities listed in the applicability section of the RRS or OP;
- changes to the effective date;
- adding, deleting or revising requirements, measures or explanatory narrative.

Substantive Changes to an RRS or an OP require at least one posting / comment / response cycle.

### **WECC Member**

Any entity that has applied and been accepted for membership in WECC and is current in the payment of dues.

### **WECC Standards Committee (WSC)**

Committee established by the WECC Board of Directors (Board) for the purpose of overseeing the implementation of these Procedures pursuant to its Board-approved charter.

### **Overview**

This document has two dominate sections. The first section describes the development steps for the Normal Process for Regional Reliability Standards and Other Projects. The second section augments the first with Supporting Processes to address exceptions such as an expedited process for urgent actions, addressing regulatory directives, and maintenance of certain documents.

**Development Steps/Table of Contents**

The following development steps are included in the normal process for Regional Reliability Standards and Other Projects section:<sup>2</sup>

**Step 1 – Submit and Validate a Standard Authorization Request..... 7**

**Step 2 – Complete SAR and Present to the WSC ..... 7**

**Step 3 – Convene the Drafting Team ..... 8**

**Step 4 –Begin Drafting Phase and Submit Draft to WSC ..... 9**

**Step 5 – Post for Comment..... 10**

**Step 6 – Respond to Comments ..... 11**

**Step 7 – Submit Proposed Draft to the WSC with a Request for Ballot..... 12**

**Step 8 – Convene a Standards Briefing..... 12**

**Step 9 – Form the Ballot Pool and Ballot the Standard..... 13**

**Step 10 – Initiate the Appeals process – If Needed ..... 15**

**Step 11 – Obtain Board Approval..... 15**

**Step 12 – Submit RRSs for ERO Review, FERC Approval & Implementation of WECC  
Regional Reliability Standards**

**Step 13 – Retire an OP ..... 16**

**Step 14 – Submit a Request for Interpretation..... 16**

The following related processes are included in the Supporting Processes section:

- Expedited Process for Urgent Action
- Regulatory Directives

---

<sup>2</sup> This Table of Contents will reflect the final actual pagination after final formatting. This footnote will be deleted from the final document.

- Maintenance of Procedures
- Maintenance of RRSs and OPs Documents

## **Notices**

Notices required under these Procedures shall be distributed electronically via WECC's SEL(s) and deemed delivered when posted on the WECC website, except as noted in the following paragraph. Concurrent running of notice and posting periods is explicitly allowed.

WECC shall provide notice to NERC of all standards-related activities by including NERC on WECC's SEL. Inclusion of a NERC-provided email address on the related SEL shall constitute coordination of notice to NERC of standards-related activities and shall be deemed delivered upon dispatch via the SEL(s).

All WECC Members and Participating Stakeholders will be given an opportunity to receive notices provided via the SEL.

## **WECC Standards Committee (WSC)**

The WSC manages these Procedures. The WSC protects the integrity, credibility and implementation of the Procedures while acting in accordance with the WSC Charter. Delineation of specific WSC duties, WSC composition and governance, WSC voting privileges, and other related practices, shall be in accordance with the WSC charter as approved by the Board.

## **WECC Standards Voting Sectors**

There are eight (8) Standards Voting Sectors (SVS) in which an entity may register to vote. The SVSs are divided into two separate categories: Registered and Non-Registered.

The Registered category is for those entities *registered* on the NERC Compliance Registry and to those Canadian and Mexican entities that perform functions that, if performed in the United States, would allow those entities to be registered for compliance in the NERC Compliance Registry. The Non-Registered category is for all others meeting the qualifications of those defined SVSs. A single entity cannot be in the Registered category and the Non-Registered category at the same time.

SVSs 1 through 5 are "Registered" SVSs.

- 1) Transmission Sector. This sector consists of Western Interconnection entities registered in the NERC Compliance Registry as Transmission Owners, Transmission Operators, Transmission Service Providers, or Transmission Planners;
- 2) Generation Sector. This sector consists of Western Interconnection entities registered in the NERC Compliance Registry as Generation Owners or Generation Operators;

- 3) Marketers and Brokers Sector. This sector consists of Western Interconnection entities registered in the NERC Compliance Registry as Purchasing-Selling Entities.
- 4) Distribution Sector. This sector consists of Western Interconnection entities registered in the NERC Compliance Registry as Distribution Providers or Load-Serving Entities;
- 5) System Coordination Sector. This sector consists of Western Interconnection entities registered in the NERC Compliance Registry as Balancing Authorities, Reserve Sharing Groups, Planning Authorities/Coordinators, Resource Planners, Interchange Authorities/Coordinators, or Reliability Coordinators.

SVS 6 through 8 are “Non-Registered” SVSs.

- 6) End-Use Representative Sector. This sector consists of entities not on the NERC Compliance Registry, but that are WECC Members and are end users of significant amounts of electricity in the Western Interconnection, including; industrial, agricultural, commercial and retail entities as well as organizations in the Western Interconnection that represent the interests of a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public or the environment.
- 7) State and Provincial Representatives Sector. This sector consists of entities not on the NERC Compliance Registry, but that are WECC Members that are representatives of states and provinces in the Western Interconnection provided that such representatives will have policy or regulatory roles and do not represent state or provincial agencies and departments whose function involves significant direct participation in the market as end users or in Electric Line of Business activities.
- 8) Other Non-Registered WECC Members and Participating Stakeholders Sector. This sector consists of (1) Participating Stakeholders as defined in the WECC Bylaws, (2) WECC Members not on the NERC Compliance Registry that are Electric Line of Business entities doing business in the Western Interconnection that do not own, control or operate transmission or distribution lines in the Western Interconnection, including power markets, independent power producers, any other entities whose primary business is the provision of energy services, and (3) those entities that are not eligible for membership in any other Standards Voting Sector and who have a substantial interest in the purposes of WECC.

If a single entity qualifies for more than one Registered SVS, that entity may register and vote in each Registered SVS for which it qualifies. For example, if a single entity was registered in the NERC Compliance Registry as a transmission owner and also a generator owner; that single entity could register and vote once in SVS 1 and once in SVS 2.

Non-Registered SVSs 6 through 8 represent those entities that are *not registered* in the NERC Compliance Registry. Unlike Registered SVSs 1 through 5, entities in Non-Registered SVSs 6 through 8 are only eligible to register and vote in a single SVS.

## **Normal Process for Regional Reliability Standards and Other Projects**

### **Step 1 – Submit and Validate a Standard Authorization Request**

Development, revision or retirement of a Regional Reliability Standard (RRS) or Other Project (OP) shall be initiated by the filing of a Standard Authorization Request (SAR) by any person or entity. A SAR is filed by completing the electronic fields of the online WECC SAR form. WECC staff shall review the incoming SAR to ensure it is valid. Once deemed valid, the SAR shall be immediately posted on the WECC website and notification shall be sent to the SEL.<sup>3</sup>

### **Step 2 – Complete SAR and Present to the WSC**

WECC staff shall assign a unique tracking number to each SAR. The unique tracking number shall be used to identify the SAR throughout the development and archival processes. The SAR and those documents developed in response to the SAR shall be publicly accessible on the WECC website.

WECC staff shall determine within 30 days of receipt whether a SAR is complete. WECC staff may assist with completing the SAR, or report to the WSC that the SAR is incomplete and request guidance.

To be deemed complete, each SAR shall contain a description of the proposed RRS or OP subject matter sufficiently detailed to clearly define the purpose, scope, impacted parties, requirements and any other information relevant to the proposed RRS or OP.

Once deemed complete by WECC staff, WECC staff shall notify the WSC that the SAR has been received and is complete, and shall place the SAR on the agenda for the next scheduled WSC meeting for disposition, subject to required notice. Notice of WSC meetings and posting of WSC agendas will be provided in accordance with the WSC Charter.

The WSC shall determine whether the SAR is within the scope of WECC's authority and activities, and is appropriate for development. The WSC shall make that determination within 60 days of the date that the SAR is received by WECC, except where the SAR has been remanded, in which case the WSC shall make that determination within 30 days of receiving the curative SAR. Public comment on the SAR will be reviewed and considered by the WSC during a duly noticed WSC meeting prior to the WSC approving the SAR.

---

<sup>3</sup> A "valid" SAR is different than a "complete" SAR. A SAR is deemed valid by staff as a threshold review that filters out spam and unwanted nuisance documents that may be received via an open website portal. Whether a SAR is "complete" is addressed in Step 2.



The WSC shall ensure that the SAR provides enough information that a Drafting Team (DT) will have a clear understanding of the reasons for, and nature of, the RRS or OP to be developed. The SAR author may be asked to further assist in the development or clarification of the SAR.

The WSC may accept the SAR, in which case development proceeds to Step 3.

The WSC may remand a SAR if it determines the content of the SAR is deficient. If the SAR is deemed deficient, the WSC shall specify the deficiency identified in the SAR and suggest potential remedies as part of its remand. WECC staff will make reasonable efforts to assist the SAR author in addressing the deficiencies identified by the WSC.

The SAR author shall have 30 days from the date of remand or until the 60<sup>th</sup> day following submittal of the SAR, whichever is longer, to remedy each deficiency identified in the remand, or withdraw the SAR.

If the deficiencies are remedied, WECC staff will resubmit the SAR to the WSC for disposition. If the deficiencies are not remedied within the allotted period: 1) the SAR will be deemed incomplete, 2) no further developmental action will be taken on the SAR, and 3) the SAR will be archived. The SAR author may submit a new SAR without prejudice based on the same or similar fact pattern.

The WSC may reject a SAR if it determines the SAR is outside the scope of WECC's authority or is not appropriate to be undertaken by WECC. If a SAR is rejected, the WSC shall post its explanation for rejection on the WECC website. Notification of the WSC's decision shall: 1) be communicated to the SAR author, the Board, and the Standards Email List (SEL), 2) reference the unique SAR tracking number and direct the recipient to supporting information as appropriate, and 3) be made no more than 30 days from the date of the WSC's determination. The WSC's decision to reject a SAR may be appealed to the Board.

### **Step 3 – Convene the Drafting Team**

If it accepts a SAR, the WSC may, at its discretion, expand or narrow the scope of the SAR. The WSC shall prioritize the development of the SAR in relation to other RRSs or OPs proposed for development under the Procedures, as may be required based on the volume of requests and resources. If prioritization dictates a postponed starting date, the WSC shall either set a postponed starting date or set a review date upon which the WSC shall re-evaluate the SAR for purposes of its progress through these Procedures. In no case shall the review date be more than 180 days after the date the SAR was received.

Upon establishing a start date for the development of an RRS or OP, the WSC shall convene a DT to develop the RRS or OP required by the SAR. The WSC may either directly assign a DT or solicit team member nominations from the industry. The WSC shall approve the DT membership within 60 days of establishing a start date. The WSC may augment or modify DT membership at any time as needed.

Because the DT chair's primary responsibility is leadership and coordination, the DT chair need not be a SME in the field associated with the SAR.

Names of DT members will be posted on the associated project development website.

The WSC should provide to the DT a proposed starting date and an expected completion date.

#### **Step 4 –Begin Drafting Phase and Submit Draft to WSC**

All DT meetings shall be open and publicly noticed on the WECC website.

The DT will begin working on the documents required by the SAR following assignment by the WSC. Notice of each DT meeting shall be posted on the WECC website for a minimum of 15 days prior to the meeting.

The author of the SAR may participate in the drafting process. The author of the SAR may be asked to provide additional information, supporting studies, and other information to support the requirements of the proposed RRS or OP.

An RRS shall include those sections mandated by NERC, such as an applicability section, effective date, mandatory requirements, affected time horizons, measures, compliance, violation risk factors (VRF), and violation severity levels (VSL).

Each RRS shall promote at least one reliability principle and be consistent with all reliability principles and NERC market interface principles. Each RRS shall provide for as much uniformity as possible with reliability standards across the interconnected Bulk-Power System of the North American continent. An RRS shall be more stringent than a continent-wide reliability standard, include a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the Bulk-Power System.

An RRS or OP may include a guidance section, background section or other narrative sections; however, these sections are not required. Incorporation of extrinsic documents into an RRS or OP should be avoided.

An RRS or OP may include new definitions of terms that need to be added to the WECC or NERC glossaries. Wherever possible, DTs are encouraged to use existing defined terms rather than create new defined terms.

In drafting the applicability section of an RRS, only those functional entities listed in the currently approved NERC Functional Model shall be used. When drafting the applicability section of an OP, use of the NERC Functional Model is not required. Development of an OP should conform to WECC internal policies and practices, unless otherwise specified herein.

In the course of its assignment, the DT shall, at a minimum:

- Review any preliminary technical assessment provided with the SAR;
- Perform or request additional technical studies as needed;
- Prepare supporting documents to support the RRS or OP as needed; and
- Request from the WSC additional time to develop the RRS or OP, if necessary.

## **Step 5 – Post for Comment**

Upon completion of each iterative draft of the RRS or OP, WECC staff shall facilitate the posting of the draft RRS or OP on the WECC website, along with supporting documents, if any, for a comment period of no less than 45 days for the first iteration and no less than 30 days for each iteration thereafter, except as allowed in the Expedited Process for Urgent Action section of these Procedures.

An implementation plan shall be included in at least one iterative posting during the development of the RRS or OP and shall be a part of the final record for consideration prior to ballot.

A notice that the comment period has been opened shall be distributed via the SEL. The notice shall include, at a minimum, the following information:

- Identification of the RRS or OP;
- What action is being taken (e.g., request for 30- or 45-day comment);
- The location of the document for review;
- How to submit comments or perform the requested action; and
- The opening and closing dates during which the solicited action shall take place. Unless otherwise posted, all posting periods close at 5:00 p.m. (Mountain).

WECC shall open a Web portal to serve as the sole means of receiving comments on the RRS or OP. Comments received via other media or received outside of the posted comment period will be accepted at the discretion of the DT. Comments may be submitted by any individual or entity, or a group of parties with a common comment. To streamline the process, if a group of parties elects to submit a common comment, those parties are encouraged to submit that common comment only once and append to the comment the names of all those individuals, entities or groups that are in support of the common position. DTs are charged to give due weight to such a joint comment and not to view the comment as having been received by a single individual or entity.

The WSC shall monitor each posting and review the posted documents to determine whether the DT remains within the scope of the SAR. At any time prior to opening a Ballot Pool, if the WSC concludes that the proposed RRS or OP is not within the scope of the SAR or does not meet other regulatory requirements or directives, the WSC shall either remand the RRS or OP to the DT with a specific explanation identifying the deficiencies that must be remedied, adjust the scope of the SAR, or retain the SAR as drafted and replace the DT.

Upon receiving the remanded RRS or OP and explanation of deficiencies, the DT shall

initiate a redraft following the steps contained in these Procedures. If a new DT is assigned, the new DT shall start the development efforts at Step 4 of these Procedures.

## **Step 6 – Respond to Comments**

The DT shall consider all comments submitted in accordance with these Procedures. If the same comment is provided more than once, the DT may provide a single response to all comments that raise the same or a similar concern.

The DT shall prepare a summary of the comments received and the changes made to the proposed RRS or OP as a result of comments received. The DT shall summarize comments that were rejected by the DT, in whole or in part, and the reason(s) that these comments were rejected. The summary, along with a response to each comment received, will be posted on the WECC website no later than the next posting of the proposed RRS or OP.

All parties submitting comments are encouraged to participate in the DT meetings during which responses to their comments are considered and drafted.

The DT should target posting its responses to the WECC website no later than 30 days after the comment window has closed. If more than 30 days are required, the DT chair shall advise the WSC chair of the DT's progress and request additional assistance as needed.

### **Substantive Changes**

If the DT determines that comments received during any posting warrant a Substantive Change to the language of an RRS or OP, the DT shall consider each comment and redraft the RRS or OP accordingly, repeating the posting / comment / response cycle as many times as needed to address the Substantive Changes while staying within the scope of the SAR.

If at any time during the development process the DT determines that the scope of the SAR should be adjusted, the DT shall present that request to the WSC for disposition.

If at any time during the development process the DT determines that it has reached a developmental impasse, the DT shall present the issue to the WSC for disposition.

If comments received during any posting do not warrant a Substantive Change to the language of an RRS or OP, the DT shall be polled at a regularly scheduled and announced DT meeting and asked whether the RRS or OP should be forwarded to the WSC with a recommendation to ballot the document. If the DT concludes by an affirmative majority vote that the RRS or OP should be forwarded to the WSC with a recommendation for ballot, the document will be forwarded accordingly.

### **Non-Substantive Changes**

These Procedures acknowledge that a Non-Substantive change may be discovered at any point during or after the final development of the RRS or OP.

Non-Substantive Changes to an RRS shall be handled in accordance with the NERC Standards Development Manual or its successor.

Non-Substantive Changes to an OP shall be addressed using WECC's internal policies and practices. Non-Substantive changes for OPs do not require a comment / response cycle.

## **Step 7 – Submit Proposed Draft to the WSC with a Request for Ballot**

Upon completion of the proposed RRS or OPs, the DT shall present the proposed RRS or OPs to the WSC with a request for ballot. The WSC shall address that request no later than its next regularly scheduled meeting.

After receiving a request for ballot, the WSC shall review the RRS or OP as presented and determine whether it fulfills the requirements stated in the SAR. The WSC shall also consider whether extrinsic requirements, such as FERC orders, Board directives, or other regulatory directives are met by the content of the document.

If the WSC concludes that the proposed RRS or OP is ready for ballot, the WSC shall forward the RRS or OP to WECC staff with a request that a Ballot Pool be formed from the Ballot Body, for the specific intent of seeking approval of the proposed RRS or OP. The results of the WSC's vote to forward the RRS or OP to the Ballot Pool shall be documented. Any WSC member that opposes submittal of the RRS or OP will be encouraged to provide dissenting comments, and if possible, specific language that would make the draft document acceptable to the dissenting member. If the WSC cannot reach agreement to submit the RRS or OP to the Ballot Pool, the WSC will report to and seek guidance from the Board.

If the WSC concludes that the proposed RRS or OP is not ready for ballot because it does not fulfill the requirements of the SAR or because it fails to meet other regulatory requirements or directives, the WSC shall remand the RRS or OP to the DT with a specific explanation identifying the deficiencies that must be remedied.

Upon receiving the remanded RRS or OP and explanation of deficiencies, the DT shall:

- 1) Redraft the RRS or OP accordingly;
- 2) Initiate iterative comment / response cycles as needed until it again concludes that no further Substantive Changes are needed; and
- 3) Return the proposed RRS or OP to the WSC for disposition.

## **Step 8 – Convene a Standards Briefing**

Once the WSC approves submitting the RRS or OP to the Ballot Pool for ballot, WECC shall dispatch notice to the SEL that a Standards Briefing will be held to discuss the content of the proposed RRS or OP prior to balloting. Notice shall be provided 15 days or more before

the Standards Briefing is to be held and shall provide, at a minimum, the following:

- Identification of the RRS or OP;
- The time and place of the Standards Briefing; and
- The location of the proposed RRS or OP and related documentation for review.

## **Step 9 – Form the Ballot Pool and Ballot the Standard**

Any individual or entity seeking participation in the ballot of an RRS or OP shall apply to WECC for Ballot Body membership in any SVS in which it is eligible. WECC staff shall review the request and confirm eligibility to join the Ballot Body.

Decisions of the staff to approve, deny, or restrict the admission of an individual or entity to a voting sector may be appealed in accordance with the WECC Bylaws.

From the Ballot Body, a discrete Ballot Pool will be formed for each RRS or OP to be balloted under these Procedures. All members of the Ballot Body shall be provided an opportunity to opt into a Ballot Pool formed for purposes of voting on each RRS or OP. It is the Ballot Pool that votes on RRSs and OPs developed under these Procedures.

Notice that a Ballot Pool is forming will be dispatched via the SEL. That notice shall contain, at a minimum, the following information:

- 1) Identification of the RRS or OP;
- 2) The proposed action to be taken (e.g., Notice of Ballot Pool Formation / Notice of Ballot);
- 3) When the Ballot Pool will open;
- 4) When the ballot will take place;
- 5) How to cast a vote; and
- 6) The location of the proposed RRS or OP and related documentation for review.

The Ballot Pool registration window shall remain open for a period determined by WECC staff, but in no case shall the Ballot Pool registration window be open less than 15 days or more than 30 days.

Once notice of a Ballot Pool forming has been dispatched: 1) the ballot window shall commence no sooner than 15 days and no later than 45 days after that dispatch; and 2) no Substantive Changes may be made to the proposed document unless the revisions are posted for an iterative comment / response cycle and a new date is set for ballot.

Once the ballot window opens, no Ballot Body member may join or withdraw from the Ballot Pool. The WECC Director of Standards (DOS) may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a Ballot Pool member that would prevent an otherwise eligible entity from casting a vote during a given ballot window.

Voting on an RRS or OP shall be via electronic voting administered on the WECC website.



The default voting window shall be a period of 15 days; however, the window may be held open up to a maximum of 60 days to reach a quorum. During a ballot window, WECC shall not sponsor or facilitate public discussion of the standard to be balloted.

Eligible members of the Ballot Pool may cast one vote in each SVS for which they are eligible.

Participating Stakeholders may only vote on an RRS if they have applied for and been granted Participating Stakeholder status. A Participating Stakeholder is only entitled to vote on an RRS and may only vote on a WECC Criterion if the proposed WECC Criterion could result in sanction to a non-WECC Member. A Participating Stakeholder is not entitled to vote on any other OP.

Each member of the Ballot Pool casting a negative vote on an RRS or OP will be required to provide a statement explaining the reason for the negative vote. The statement should include language that would make the RRS or OP acceptable. The statement will be included in the voting record for consideration by the WSC and the Board.

A two-thirds (2/3) quorum of the Ballot Pool is required for each vote. Quorum shall be based on the total number of Ballot Pool members and shall not be based on the total number of votes cast. Abstentions and negative votes cast without an explanation shall not be counted for the purpose of determining consensus, but will be counted for purposes of obtaining a quorum.

A weighted majority vote of the Ballot Pool is required for an RRS or OP to be approved. Voting among the SVSs shall be weighted as follows:

- For each SVS with 10 or more voters, the number of affirmative votes cast shall be divided by the sum of the affirmative and negative votes cast to determine the fractional affirmative vote for that SVS.
- For each SVS with less than 10 voters, the same process shall be used to determine the fractional affirmative vote, but the fractional affirmative vote of that SVS shall be multiplied by 10 percent times the number of voters.
  - For example, for SVSs with nine voters, the fractional affirmative vote will be multiplied by 90 percent.
- The sum of the fractional affirmative votes from all SVSs divided by the weighted number of SVSs voting shall be used to determine if a weighed majority has been achieved and whether the RRS or OP has been approved. An SVS shall be considered as voting if any member of the SVS in the Ballot Pool casts either an affirmative or a negative vote. If there are more than ten voters in the SVS, the weighting used for the calculation of “weighted sectors voting” shall be 100 percent. For SVSs with less than ten voters, the weighting used for the calculation of the “weighted sectors voting” shall be 10 percent per voter.

- An RRS or OP shall be deemed approved by the Ballot Pool if the sum of fractional affirmative votes from all SVSs divided by the weighted number of voting SVSs is a majority (i.e., greater than 50 percent).

After a vote by the Ballot Pool, the WSC shall take one of the following actions.

If the Ballot Pool approves an RRS or OP, the WSC shall submit the RRS or OP to the Board for approval. The WSC shall provide voting results to the Board, including the final ballot results and any rationale supporting any negative votes cast.

Any RRS or OP that was provided to the Board for approval will be posted for Board review for at least the period mandated by the WECC Bylaws.

If the Ballot Pool rejects the RRS or OP, the SAR shall be deemed complete and all associated documents shall be archived, except as allowed in the Regulatory Directive section of these Procedures.

## **Step 10 – Initiate the Appeals Process – If Needed**

An appeal may be brought on the basis of either a technical (reliability) concern or a due process (procedural) concern.

If the appeal is based on technical grounds, that appeal may be brought at any stage of the development process prior to the opening of a ballot window. The appeal shall be submitted to the DOS who shall place the appeal on the agenda of the next regularly scheduled WSC meeting. If the appellant does not concur with the WSC's findings, the appellant may request that the DOS forward the matter to the Board for disposition.

If the appeal is based on due process concerns, the appellant shall submit the matter to the DOS no later than 30 days after the alleged occurrence of the due process violation, but in no case shall an appeal on due process grounds be accepted more than 30 days after the RRS or OP has been approved by the Ballot Pool. The appeal shall be submitted to the DOS who shall place the appeal on the agenda of the next regularly scheduled WSC meeting. If the appellant does not concur with the WSC's findings, the appellant may request that the DOS forward the matter to the Board for disposition.

The filing of an appeal shall not halt the development process; however, the appeal shall be settled by the Board before the Board votes to approve the RRS or OP.

## **Step 11 – Obtain Board Approval**

The Board shall consider the RRS or OP for approval no later than at its next regularly scheduled meeting after the close of the Ballot Pool window and recommendation for approval by the WSC, subject to the notice requirements in the WECC Bylaws.

Any person or entity may submit comments to the Board for the Board's consideration. The



Board shall consider:

- 1) All comments submitted for its consideration;
- 2) The WSC's recommendations and minority opinions, if any;
- 3) All comments that were not incorporated into the RRS or OP;
- 4) Voting results including, at a minimum, the final ballot results and any rationale supporting negative votes; and
- 5) Any other supporting documentation.

If an OP is approved by the Board, WECC shall post the final OP on its website and the SAR will be deemed complete. The effective date will be that approved by the Board.

If an RRS is approved by the Board, WECC shall forward the RRS to NERC for NERC and FERC disposition.

If the RRS or OP is not approved by the Board, the Board may either deem the SAR complete or remand the RRS or OP to the DT with specific guidance as to proposed changes.

If the RRS or OP is remanded, any Substantive Changes must be vetted in accordance with these Procedures. Under no circumstances shall the Board make Substantive Changes to the RRS or OP, except in accordance with its backstop authority as authorized by the WECC Bylaws.

## **Step 12 – Submit RRSs for ERO Review, FERC Approval & Implementation of WECC Regional Reliability Standards**

**Note:** Step 12 only applies to RRSs.

All new, revised, or retired RRSs shall be submitted to NERC for NERC and FERC approval. The approval, revision or retirement of an RRS shall not be effective in the United States until approved by FERC and shall not be effective in another jurisdiction until approved by the applicable governmental authority.

## **Step 13 – Retire an OP**

Upon determining that the subject matter of an OP is duplicated in a NERC Reliability Standard, and that retirement of the OP will not cause a reliability gap after the effective date of the associated NERC Reliability Standard, the WSC may retire a WECC OP on its own initiative without further due process.

## **Step 14 – Submit a Request for Interpretation**

A Request for Interpretation (RI) of a document developed under these Procedures is limited to clarifying existing requirements in the approved document and may not expand

upon a requirement or provide guidance on how to implement a requirement.

The RI is initiated by submitting WECC's online SAR form. The SAR shall: 1) identify the specific document; 2) identify the requirement within that document for which an interpretation is being requested, and 3) specify the perceived lack of clarity. The SAR shall indicate the material impact to the requesting entity or others caused by the perceived lack of clarity.

The RI is processed using the same process set forth in these Procedures with the following exceptions:

- The chair of the WSC shall assemble an Interpretation Drafting Team (IDT). The IDT shall be composed of SMEs with relevant expertise to address the clarification and, to the extent possible, should include members of the original DT. The IDT shall not include any team member representing the entity that filed the RI; however, this prohibition does not preclude representatives of the filing entity from participating in the development process.
- If all of the document is to be subsumed into the new PSS RRS the PSS DT should recommend to the Standing Committee that the document be retired as of the effective date of the replacement document.
- Once an interpretation of an RRS has been approved by the Board, the interpretation shall be appended to the RRS and submitted to NERC for NERC and FERC approval. The interpretation will remain appended to the RRS until such time as the RRS is revised and the interpretation's content is addressed during the revision process. RRS interpretations shall not be effective in the United States until approved by FERC and shall not be effective in other jurisdictions until approval by the applicable governmental authority.

## **Supporting Processes**

### **Expedited Process for Urgent Action**

In cases requiring urgent action, such as in the development of emergency procedures, any person or entity may propose an interim RRS or OP for approval by the WECC Board. The RRS or OP must go through a process that eliminates any or all of the steps outlined previously, but only to the extent deemed necessary by the Board and only in a manner that is consistent with the WECC Bylaws.

If the Board approves the interim document, it shall establish an initial effective date for the interim document.

Within 90 days after the initial effective date of the document, the Board shall either:

- 1) Cause a SAR to be submitted requesting the development under these Procedures of a permanent replacement to the interim document; or

2) Shall extend the applicability of the interim document for an additional 90 days.

Renewal may occur more than once, but a good faith effort must be made to develop a permanent replacement under these Procedures.

If a SAR is submitted, the interim RRS or OP shall remain in effect until the permanent replacement RRS or OP becomes effective.

If a SAR is not submitted and the interim RRS or OP has not been extended, the interim RRS or OP shall be deemed retired.

### **Regulatory Directives**

These Procedures acknowledge that FERC may order WECC to make specified regulatory changes to documents created under these Procedures. For the purpose of this section only, those documents are referred to as Directive Regional Reliability Standards (DRRS).

If the Board determines that these Procedures failed to result in a DRRS meeting the mandated regulatory changes, the Board shall have authority to take the following actions to ensure that the DRRS is responsive to the regulatory directive.

If the Ballot Pool approves a DRRS that does not address a regulatory directive required to be included in that document, the Board may remand the DRRS to the original DT or instruct the WSC to convene a new DT to redraft the document. The Board shall instruct the DT on the specific regulatory directive that must be contained in the redraft. Once the DRRS is redrafted it shall be reprocessed under these Procedures.

If the Ballot Pool rejects a DRRS or fails to ballot the DRRS due to failure to reach a quorum, either when first presented for ballot or during an iterative redraft as instructed by the Board, the Board shall review the DRRS, including all comments provided and all rationale accompanying any negative vote.

Upon a finding that the DRRS was rejected for reasons not related to the regulatory directive, the Board may direct WECC staff to file a new SAR with the specific narrow scope of addressing only the regulatory directive. The Board may suggest specific language for inclusion in the proposed DRRS.

Upon a finding that the DRRS was rejected based on language addressing the regulatory directive, the Board shall take the following steps to meet its regulatory obligation:

- 1) Review the entire record of development.
- 2) Require a public technical conference to be noticed and convened to determine whether the rejected DRRS is:
  - just and reasonable;
  - not unduly discriminatory or preferential;
  - in the public interest;

- helpful to reliability;
  - practical;
  - technically sound;
  - technically feasible;
  - cost-justified; and
  - meets the regulatory directive (hereafter “Just and Reasonable”).
- 3) Determine whether the DRRS should be implemented as drafted, notwithstanding rejection by the Ballot Pool.

Upon a finding that the rejected DRRS should be implemented, the Board shall approve the DRRS and direct that it be submitted to NERC for NERC and FERC approval, as required.

Upon a finding that the rejected DRRS should not be implemented, the Board may submit the DRRS and its record of development as a regulatory compliance filing in response to the regulatory directive. The filing shall include a recommendation that the DRRS not be made effective and an explanation of the basis for that recommendation.

### **Maintenance of the Procedures**

The WSC is charged with maintenance of these Procedures. Proposed changes to these Procedures shall first be brought to the WSC for consideration. The WSC may initiate proposed changes on its own initiative.

If it determines that a change to these Procedures should be pursued, the WSC shall draft the proposed changes and post the proposed changes to the WECC website for comment, accompanied by a notice to the SEL soliciting comments on the proposed changes.

The WSC shall consider all comments received and shall redraft the proposed changes as it deems necessary. Once the WSC approves the proposed changes, those changes shall be submitted to the Board for approval. Changes to these Procedures approved by the Board shall be submitted to NERC for NERC and FERC approval.

### **Maintenance of RRS and OPs Documents**

The WSC shall ensure that each RRS is reviewed at least once every five years from the effective date of the most recent version of the RRS. If the review identifies needed changes, the WSC shall cause a remedial SAR to be filed. If the review does not identify needed changes, the WSC shall communicate its decision via the SEL and no further action will be required.

Review of OPs shall be conducted in accordance with internal WECC policies and procedures.

**Attachment 2**

**Reliability Standards Development Procedures  
Amended Exhibit of the Delegation Agreement Between  
North American Electric Reliability Corporation and  
Western Electricity Coordinating Council**

**Redline Version**

# RELIABILITY STANDARDS DEVELOPMENT PROCEDURES

## Introduction-

~~This document explains the WECC process for requesting, announcing, developing, revising, withdrawing and approving WECC Standards as defined below (“WECC Standards Process”). The process involves several steps:-~~

- ~~• A request to develop a new Standard or revise an existing Standard-~~
- ~~• Decision to proceed with development or revision of a Standard and assignment to a Drafting Team~~

~~Public (including members) notification~~

~~The Western Electricity Coordinating Council (WECC) is a Regional Entity<sup>1</sup> authorized through a delegation agreement between the North American Electricity Reliability Corporation (NERC) and WECC pursuant to Section 215 of the Federal Power Act. NERC delegates designated powers, rights, and responsibilities to WECC regarding the administration within the Western Interconnection of electric Reliability Standards adopted or approved by NERC and the Federal Energy Regulatory Commission (FERC).~~

~~These Reliability Standards Development Procedures (Procedures) define the process to be used by WECC for the development, revision, and retirement of Regional Reliability Standards (RRS) and various Other Projects (OP) created under these Procedures.~~

- ~~• These Procedures were established to create the structure for open and transparent due process in the development of WECC RRSs and OPs. These Procedures include, but are not limited to, public notice of intent to develop or revise RRSs and OPs, a Standard~~
- ~~• Drafting stage-~~
- ~~• Posting of draft for public comment~~
- ~~• Review of all comments and public posting of decisions reached on each comment-~~
- ~~• Ballot Body balloting of the period on the proposed Standard-~~
- ~~• Consideration documents, due consideration of comments provided, and a balanced ballot of any appeals-~~
- ~~• WECC Board of Directors (Board) decision regarding approval, disapproval or remand of proposed Standard~~
- ~~• Forwarding proposed WECC Reliability Standards to the ERO-~~

~~The process for developing and approving WECC Standards includes:-~~

~~1. Notification of pending Standard change before a wide audience of all “interested and affected parties” stakeholders.~~

~~The 2. Posting Standard change drafts for all parties to review-~~

---

<sup>1</sup> Unless otherwise specified, capitalized terms are defined in the NERC Glossary of Terms Used in Reliability Standards.

~~3. Provision for gathering and posting comments from all parties~~

~~4. Provision for an appeals process — both “due process” and “technical” appeals~~

~~The WECC Standards Committee (WSC) has the responsibility for developing and balloting WECC Standards. The WSC Chair is responsible for ensuring administration of the process and completion of all WSC responsibilities. The WSC is supported by the Standing Committees as well as Drafting Teams that draft the Standards. The WSC, with the support of a Drafting Team and Standing Committees, ensures the Draft Standard is properly reviewed consistent with WECC due process requirements, responses have been provided to comments on the Draft Standard, or the Draft Standard is revised in response to the comments. Board approval signifies that WECC has adopted the Standard. WECC staff has the role of tracking the Standard as it moves through the process and facilitating resolution of issues. In accordance with Section 8.6 of the WECC Bylaws, Participating Stakeholders may participate in Reliability Standard development by joining the Ballot Body and may vote electronically on a Draft Standard.~~

### ~~WECC Bylaws Controlling~~

~~It is the intention of the drafters of the WECC Standards Process that the procedures described herein Procedures shall be interpreted and applied in a manner that is consistent with the WECC Bylaws. Should any conflict arise between this WECC Standards Process the Procedures and the WECC Bylaws arise, the WECC Bylaws will control prevail.~~

### ~~Terms~~

#### Definitions

~~**Ballot Body.** The Ballot Body consists~~

~~That body of qualified WECC members Members and non-members that register with WECC for participation in Ballot Pools.~~

#### Ballot Pool

~~That pool of Ballot Body entities that have been determined eligible for registered to vote on a specific document.~~

#### Day

~~All references to days are calendar days. When counting the WECC Standard Voting Sectors described in this Reliability number of days, the count shall exclude the first day of the time window to be measured. If a terminus date falls on a weekend or a day that WECC is scheduled to be closed, the new terminus date shall be the day following the weekend or WECC closure day.~~

For example, if a 15-day period ends on a holiday the terminus date is on the following WECC business day.

### **Drafting Team (DT)**

A team of pertinent subject matter experts (SME) that was appointed by the WECC Standards Committee (WSC) to develop the document(s) that were called for in a Standard Authorization Request (SAR) consider and respond to industry comments, participate in forums to help build consensus on draft documents, and perform other tasks as assigned by the WSC.

### **Electric Line of Business**

The generation, transmission, distribution, or trading of electricity or the provision of related energy services in the Western Interconnection.

### **NERC Compliance Registry**

Registry of the Bulk Electric System owners, operators, and users that are subject to approved reliability standards.

### **Non-Substantive Changes**

A Non-Substantive Change is one that does not change the scope, applicability, intent of the document, or the actions required by affected entities.

For example, Non-Substantive Changes include, but are not limited to; correcting grammar or sentence structure, typographical or spelling errors, font and formatting, numbering, references, adding an obviously missing word, or rephrasing a statement to improve its clarity. Non-Substantive Changes do not require, but may receive posting for comments and/or revision of the document under these Procedures.

### **Other Projects (OP)**

Any document type other than an RRS developed under these Procedures. These include, but are not limited to, WECC Criteria.

**Participating Stakeholder** ~~Development Process and in section 8.5.5.2 of~~

Any person or entity that is not a WECC Member, but who has applied for and been granted participating stakeholder rights as defined and currently set forth in the WECC Bylaws. ~~The~~ Ballot Body consists of the entities that may vote on Regional Criteria and

### **Regional Reliability Standard (RRS)**

A requirement approved by FERC under Section 215 of the Federal Power Act, to provide for reliable operation of the Bulk Electric System in the United States. Regional Reliability



Standards, except as otherwise limited by these procedures, are specific to the Western Interconnection and shall be established using these Procedures. When approved by FERC and applicable authorities in Canada and Mexico, Regional Reliability Standards shall be made part of the body of NERC Reliability Standards and shall be enforced upon all applicable Bulk-Electric System owners, operators, and users within the WECC area, regardless of membership in the region.

### **Standard Authorization Request (SAR)**

~~**Ballot Pool.** The Ballot Pool consists of Ballot Body entities that have opted to vote on a specific Standard. Quorum for voting on a Standard is based on the Ballot Pool.~~

~~**Days.** All references to days in this document refer to calendar days, except as otherwise noted in these procedures.~~

~~**Draft Standard.** A Draft Standard includes any proposed new Standards, revisions to existing Standards, or termination of existing Standards. Draft Standards are introduced by use of Standard Authorization Requests or the Special Procedures for Addressing **Regulatory Directives**, as described in these procedures.~~

~~**Joint Session.** The Joint Session is any collective meeting of the Standing Committees. Such meetings are generally held in conjunction with the regular meetings of the individual Standing Committees.~~

~~**Participating Stakeholder.** A Participating Stakeholder as defined in Section 3.33 of the WECC Bylaws.~~

~~**Standard.** In the context of this document, the term Standard refers to a Regional Reliability Standard or a Regional Criterion.~~

~~form titled *Standard Authorization Request (or “SAR”)*. The form titled) administrated by the WECC Standards/Regional Criteria Request Form approved Department for the purpose of requesting development, revision, retirement, or interpretation of an RRS or OP.~~

### **Standards Briefing**

~~Any meeting initiated by WECC for the purpose of requesting a new Standard, a revision to an existing Standard, or termination of creating an existing Standard.~~

~~**Standing Committee.** The Market Interface Committee (MIC), Operating Committee (OC) or Planning Coordination Committee (PCC).<sup>2</sup>~~

---

<sup>2</sup>In accordance with WECC Bylaws Section 8.5.4, Membership in WECC’s Standing Committees is open to all WECC members.

~~**WECC Standards Committee.** This committee consists of one representative from each of the eight Voting Sectors described in Section 8.5.5.2 of the Bylaws open forum for discussion and a ninth-member who shall be a member of the WECC Board of Directors. The members of the WSC shall be appointed by, and serve at the pleasure of, the Board, in accordance with a charter of the WSC approved by the Board. The chair of the Board shall designate a member of the Board of Directors to serve as the chair of the WSC. The WSC is responsible for determining if a Standard Authorization Request is within the scope of WECC's activities, and overseeing the drafting, comment and voting explanation of an RRS or OP, generally but not exclusively held during the development process for a Standard. The WSC is responsible for taking actions described in the Special Procedures for Addressing Regulatory Directives to ensure compliance with directives issued by the Federal Energy Regulatory Commission (FERC) or Mexican or Canadian regulatory authorities. The WSC shall also oversee the process for responding to requests for interpretations of Standards of those documents in advance of a ballot window.~~

### **Standards Email List (SEL)**

Email list(s) established and maintained by WECC for the purpose of communicating due process activity; generally, but not exclusively, for standards-related activities.

### **Substantive Changes**

A Substantive Change is one that changes the scope, applicability, intent of the document, or the actions required by affected entities.

For example, Substantive Changes include but are not limited to:

- changes to the functional entities listed in the applicability section of the RRS or OP;
- changes to the effective date;
- adding, deleting or revising requirements, measures or explanatory narrative.

Substantive Changes to an RRS or an OP require at least one posting / comment / response cycle.

### **WECC Member**

Any entity that has applied and been accepted for membership in ~~WECC Standards Voting Sectors.~~ For purposes of voting on Standards, and is current in the payment of dues.

### **WECC Standards Committee (WSC)**

Committee established by the WECC Board of Directors (Board) for the purpose of overseeing the implementation of these Procedures pursuant to its Board-approved charter.

### **Overview**

This document has two dominate sections. The first section describes the development steps for the Normal Process for Regional Reliability Standards and Other Projects. The second section augments the first with Supporting Processes to address exceptions such as an expedited process for urgent actions, addressing regulatory directives, and maintenance

of certain documents.

### **Development Steps/Table of Contents**

The following development steps are included in the normal process for Regional Reliability Standards and Other Projects section:<sup>3</sup>

<b><u>Step 1 – Submit and Validate a Standard Authorization Request.....</u></b>	<b><u>9</u></b>
<b><u>Step 2 – Complete SAR and Present to the WSC .....</u></b>	<b><u>10</u></b>
<b><u>Step 3 – Convene the Drafting Team .....</u></b>	<b><u>11</u></b>
<b><u>Step 4 –Begin Drafting Phase and Submit Draft to WSC .....</u></b>	<b><u>12</u></b>
<b><u>Step 5 – Post for Comment.....</u></b>	<b><u>13</u></b>
<b><u>Step 6 – Respond to Comments .....</u></b>	<b><u>15</u></b>
<b><u>Step 7 – Submit Proposed Draft to the WSC with a Request for Ballot.....</u></b>	<b><u>16</u></b>
<b><u>Step 8 – Convene a Standards Briefing.....</u></b>	<b><u>16</u></b>
<b><u>Step 9 – Form the Ballot Pool and Ballot the Standard.....</u></b>	<b><u>17</u></b>
<b><u>Step 10 – Initiate the Appeals process – If Needed .....</u></b>	<b><u>22</u></b>
<b><u>Step 11 – Obtain Board Approval.....</u></b>	<b><u>23</u></b>
<b><u>Step 12 – Submit RRSs for ERO Review, FERC Approval &amp; Implementation of WECC Regional Reliability Standards</u></b>	
<b><u>Step 13 – Retire an OP .....</u></b>	<b><u>24</u></b>
<b><u>Step 14 – Submit a Request for Interpretation.....</u></b>	<b><u>24</u></b>

The following related processes are included in the Supporting Processes section:

- Expedited Process for Urgent Action
- Regulatory Directivesmembers
- Maintenance of Procedures
- Maintenance of RRSs and OPs Documents

---

<sup>3</sup> This Table of Contents will reflect the final actual pagination after final formatting. This footnote will be deleted from the final document.

## Notices

Notices required under these Procedures shall be distributed electronically via WECC's SEL(s) and deemed delivered when posted on the WECC website, except as noted in the following paragraph. Concurrent running of notice and posting periods is explicitly allowed.

WECC shall provide notice to NERC of all standards-related activities by including NERC on WECC's SEL. Inclusion of a NERC-provided email address on the related SEL shall constitute coordination of notice to NERC of standards-related activities and shall be deemed delivered upon dispatch via the SEL(s).

All WECC Members and Participating Stakeholders will be given an opportunity to receive notices provided via the SEL.

## WECC Standards Committee (WSC)

The WSC manages these Procedures. The WSC protects the integrity, credibility and implementation of the Procedures while acting in accordance with the WSC Charter. Delineation of specific WSC duties, WSC composition and governance, WSC voting privileges, and other related practices, shall ~~vote~~ be in the following eight sectors, accordance with the WSC charter as approved by the Board.

## WECC Standards Voting Sectors

There are eight (8) Standards Voting Sectors (SVS) in which an entity may register to vote. The SVSs are divided into two separate categories: Registered and Non-Registered.

The Registered category is for those entities *registered* on the NERC Compliance Registry and to those Canadian and Mexican entities that perform functions that, if performed in the United States, would allow those entities to be registered for compliance in the NERC Compliance Registry. The Non-Registered category is for all others meeting the qualifications of those defined SVSs. A single entity cannot be in the Registered category and the Non-Registered category at the same time.

SVSs 1 through 5 are "Registered" SVSs.

- 4) 1) \_\_\_\_\_ Transmission Sector. -This sector consists of Western Interconnection entities registered in the NERC ~~compliance registry~~ Compliance Registry as ~~transmission-owners, transmission operators, transmission service providers, or transmission-planners~~ Transmission Owners, Transmission Operators, Transmission Service Providers, or Transmission Planners;
- 2) 2) \_\_\_\_\_ Generation Sector. -This sector consists of Western Interconnection entities registered in the NERC ~~compliance registry~~ Compliance Registry as ~~generation-owners- or generation-operators~~ Generation Owners or Generation Operators;
- 3) 3) \_\_\_\_\_ Marketers and Brokers Sector. -This sector consists of Western

Interconnection entities registered in the NERC ~~compliance registry~~Compliance Registry as ~~purchasing-selling entities~~Purchasing-Selling Entities.

- 4) ~~4)~~ 4) Distribution Sector. -This sector consists of Western Interconnection entities registered in the NERC ~~compliance registry~~Compliance Registry as ~~distribution providers or load-serving entities~~Distribution Providers or Load-Serving Entities;
- 5) ~~5)~~ 5) System Coordination Sector. -This sector consists of Western Interconnection entities registered in the NERC ~~compliance registry as balancing authorities, reserve-sharing groups, planning authorities, resource planners, interchange authorities, and reliability coordinators. WECC may cast a vote in this sector;~~Compliance Registry as Balancing Authorities, Reserve Sharing Groups, Planning Authorities/Coordinators, Resource Planners, Interchange Authorities/Coordinators, or Reliability Coordinators.
- 6) ~~6)~~ End Use Representative Sector. This sector consists of non-registered members of WECC Member Class Four;

SVS 6 through 8 are “Non-Registered” SVSs.

- 6) End-Use Representative Sector. This sector consists of entities not on the NERC Compliance Registry, but that are WECC Members and are end users of significant amounts of electricity in the Western Interconnection, including; industrial, agricultural, commercial and retail entities as well as organizations in the Western Interconnection that represent the interests of a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public or the environment.
- 7) ~~7)~~ State and Provincial Representatives Sector. -This sector consists of ~~non-~~registered entities not on the NERC Compliance Registry, but that are WECC members ofMembers that are representatives of states and provinces in the Western Interconnection provided that such representatives will have policy or regulatory roles and do not represent state or provincial agencies and departments whose function involves significant direct participation in the market as end users or in Electric Line of Business activities.~~WECC Member~~ Class Five;
- 8) Other Non-Registered WECC Members and Participating Stakeholders Sector. -This sector consists of ~~consultants or other members of WECC Member Class Seven, or interested stakeholders who qualify for~~ (1) Participating Stakeholder status but are not Stakeholders as defined in the WECC Bylaws, (2) WECC Members not on the NERC Compliance Registry that are Electric Line of Business entities doing business in the Western Interconnection that do not own, control or operate transmission or distribution lines in the Western Interconnection, including power markets, independent power producers, any other entities whose primary business is the provision of energy services, and (3) those entities that are not eligible for membership in any other Standards Voting Sector and who have a substantial interest in the purposes of WECC.

8) If a single entity qualifies for more than one Registered SVS, that entity may register and vote in each Registered SVS for which it qualifies. For example, if a single entity was registered in the NERC compliance registry. Compliance Registry as a transmission owner and also a generator owner; that single entity could register and vote once in SVS 1 and once in SVS 2.

~~For sectors one Non-Registered SVSs 6 through five, Western Interconnection 8 represent those entities that perform functions outside the United States, that if conducted in the United States would qualify them for the NERC compliance registries included in these sectors, shall be eligible to vote in the appropriate sector(s), as may be determined by WECC staff.~~

~~Each WECC member or Participating Stakeholder shall have a vote that may be cast in each sector for which the member or stakeholder is eligible as described in Section 8.5.5.4 of the Bylaws.~~

~~Sectors one through five are the *not* registered sectors, and the three non-registered sectors are sectors six through eight. If an entity is eligible for a registered sector, then that entity may be eligible for more than one registered sector. An entity can only be in one non-registered sector. An entity cannot be in both a registered and a non-registered sector. The first five sectors (in the NERC Compliance Registry. Unlike Registered SVSs 1 through 5) shall be in the North American Electric Reliability Corporation (“NERC”) compliance registry, with the exception for, entities that perform functions outside the United States that are determined eligible for these voting sectors by WECC Staff in Non-Registered SVSs 6 through 8 are only eligible to register and vote in a single SVS.~~

~~Participating Stakeholders may not vote on Regional Criteria unless the proposed Regional Criteria could result in sanctions to a non-WECC member.~~

## **Normal Process for Regional Reliability Standards and Other Projects**

### **Step 1 – Request To Revise or Develop Submit and Validate a Standard Authorization Request**

~~Requests to develop, terminate, Development, revision or revise-retirement of a Regional Reliability Standard will (RRS) or Other Project (OP) shall be submitted to initiated by the WECC staff through the use filing of the WECC a Standard Authorization Request (“SAR”). Requesters may be ) by any individual or organization. WECC membership person or entity. A SAR is not a requirement as long as filed by completing the electronic fields of the online WECC SAR form. WECC staff shall review the requester has an interest in electric system reliability or commercial business practices in incoming SAR to ensure it is valid. Once deemed valid, the Western Interconnection SAR shall be~~



immediately posted on the WECC website and notification shall be sent to the SEL.<sup>4</sup>

## **Step 2 – Standard Authorization Request Validation and Submission Complete SAR and Present to the WSC**

The SAR will be reviewed for completeness and assigned a tracking number by the WECC staff shall assign a unique tracking number to each SAR. The unique tracking number shall be used to identify the SAR throughout the development and archival processes. The SAR and those documents developed in response to the SAR shall be publicly accessible on the WECC website.

WECC staff. Staff may shall determine within 30 days of receipt whether a SAR is complete. WECC staff may assist with completing the request SAR, or report to the WSC that the SAR is incomplete and request guidance. When complete, the WECC staff will forward the SAR to the WSC. WECC staff will maintain a web-based form that tracks all SARs through the Standard development process, as well as a Standards development tracking log that is posted on the WECC website.

The WSC will confer either in person or via conference call within two weeks of receipt of a completed request to determine whether the request is within WECC's scope.

If the WSC

To be deemed complete, each SAR shall contain a description of the proposed RRS or OP subject matter sufficiently detailed to clearly define the purpose, scope, impacted parties, requirements and any other information relevant to the proposed RRS or OP.

Once deemed complete by WECC staff, WECC staff shall notify the WSC that the SAR has been received and is complete, and shall place the SAR on the agenda for the next scheduled WSC meeting for disposition, subject to required notice. Notice of WSC meetings and posting of WSC agendas will be provided in accordance with the WSC Charter.

The WSC shall determine whether the SAR is within the scope of WECC's authority and activities, and is appropriate for development. The WSC shall make that determination within 60 days of the date that the SAR is received by WECC, except where the SAR has been remanded, in which case the WSC shall make that determination within 30 days of receiving the curative SAR. Public comment on the SAR will be reviewed and considered by the WSC during a duly noticed WSC meeting prior to the WSC approving the SAR.

The WSC shall ensure that the SAR provides enough information that a Drafting Team (DT) will have a clear understanding of the reasons for, and nature of, the RRS or OP to be developed. The SAR author may be asked to further assist in the development or clarification of the SAR.

---

<sup>4</sup> A "valid" SAR is different than a "complete" SAR. A SAR is deemed valid by staff as a threshold review that filters out spam and unwanted nuisance documents that may be received via an open website portal. Whether a SAR is "complete" is addressed in Step 2.

The WSC may accept the SAR, in which case development proceeds to Step 3.

The WSC may remand a SAR if it determines the content of the SAR is deficient. If the SAR is deemed deficient, the WSC shall specify the deficiency identified in the SAR and suggest potential remedies as part of its remand. WECC staff will make reasonable efforts to assist the SAR author in addressing the deficiencies identified by the WSC.

The SAR author shall have 30 days from the date of remand or until the 60<sup>th</sup> day following submittal of the SAR, whichever is longer, to remedy each deficiency identified in the remand, or withdraw the SAR.

If the ~~by majority vote,~~ that a deficiencies are remedied, WECC staff will resubmit the SAR to the WSC for disposition. If the deficiencies are not remedied within the allotted period: 1) the SAR will be deemed incomplete, 2) no further developmental action will be taken on the SAR, and 3) the SAR will be archived. The SAR author may submit a new SAR without prejudice based on the same or similar fact pattern.

The WSC may reject a SAR if it determines the SAR is outside the scope of WECC's authority or inappropriate, it will prepare anis not appropriate to be undertaken by WECC. If a SAR is rejected, the WSC shall post its explanation and post it for rejection on the WECC website. The party that submitted the SAR, parties subscribing to the WECC standards email list, the Standing Committees, and Board will all be notified of the posting and its location on the WECC website. If the WSC decides to reject a SAR at this stage, such Notification of the WSC's decision shall: 1) be communicated to the SAR author, the Board, and the Standards Email List (SEL), 2) reference the unique SAR tracking number and direct the recipient to supporting information as appropriate, and 3) be made no more than 30 days from the date of the WSC's determination. The WSC's decision to reject a SAR may be appealed to the Board in accordance with Step 8.

~~Upon ascertaining that a SAR is within the scope of WECC's authority and appropriate, the WSC will select and oversee a Drafting Team formed for the purpose of drafting a Draft Standard. The WSC shall ensure that the Drafting Team includes a composite of individuals having the appropriate planning, operations, and market expertise. Notification of such assignments will be posted on the WECC website and sent to all parties that subscribe to the WECC standards email list. In addition, such assignments will be simultaneously noticed to NERC. The WSC shall ensure that the SAR provides the Drafting Team and WECC a description of the Draft Standard it expects the Drafting Team to draft, and an explanation as to why the Draft Standard is needed.~~

### Step 3 – Convene the Drafting Team

If it accepts a SAR, the WSC may, at its discretion, expand or narrow the scope of the SAR. The WSC shall prioritize the development of the SAR in relation to other RRSs or OPs proposed for development under the Procedures, as may be required based on the volume



of requests and resources. If prioritization dictates a postponed starting date, the WSC shall either set a postponed starting date or set a review date upon which the WSC shall re-evaluate the SAR for purposes of its progress through these Procedures. In no case shall the review date be more than 180 days after the date the SAR was received.

Upon establishing a start date for the development of an RRS or OP, the WSC shall convene a DT to develop the RRS or OP required by the SAR. The WSC may either directly assign a DT or solicit team member nominations from the industry. The WSC shall approve the DT membership within 60 days of establishing a start date. The WSC may augment or modify DT membership at any time as needed.

Because the DT chair's primary responsibility is leadership and coordination, the DT chair need not be a SME in the field associated with the SAR.

Names of DT members will be posted on the associated project development website.

The WSC should provide to the DT a proposed starting date and an expected completion date.

#### **Step 4 –Begin Drafting Phase and SubmitsSubmit Draft Standard to WSC-**

~~The Drafting Team will begin working on the Draft Standard following assignment by the WSC, as directed by the WSC chair. The WSC shall provide a time period for which the Drafting Team should complete the Draft Standard. The WSC chair shall designate a Drafting Team leader who shall be responsible for coordinating the Drafting Team's efforts. Notification of Drafting Team meetings will be posted on the WECC website and sent to all parties that subscribe to the WECC standards email list at least 15 calendar days prior to the meeting. In addition, notification of all Drafting Team meetings will be simultaneously noticed to NERC. These meetings will be open to interested stakeholders. The Drafting Team will facilitate interested stakeholder participation in the discussion in order to encourage understanding of the issues and consensus among the meeting participants. The Drafting Team will work to achieve a consensus recommendation. A consensus recommendation is one that strives to eliminate all well-reasoned objections, but if the Drafting Team determines that it is not possible to accommodate all such points of view, it may proceed to provide a recommendation that is supported by a majority of the Drafting Team members.~~

~~Standard requesters have the right, and are encouraged to~~  
All DT meetings shall be open and publicly noticed on the WECC website.

The DT will begin working on the documents required by the SAR following assignment by the WSC. Notice of each DT meeting shall be posted on the WECC website for a minimum of 15 days prior to the meeting.

The author of the SAR may participate in the drafting process. RequestersThe author of the SAR may be ~~called on~~asked to provide additional information, supporting studies, and other information to support the requirements of the ~~Draft Standard~~proposed RRS or OP.

An RRS shall include those sections mandated by NERC, such as an applicability section, effective date, mandatory requirements, affected time horizons, measures, compliance, violation risk factors (VRF), and violation severity levels (VSL).

Each ~~All WECC Standards will follow a standard format that refers to the “Responsible Entities” included in the NERC Functional Model and includes compliance measures according to the WECC standard template. The Drafting Team will include definitions for any terms included in the Draft Standard that need to be added to the WECC glossary.~~

RRS shall promote at least one reliability principle and be consistent with all reliability principles and NERC market interface principles. Each RRS shall provide for as much uniformity as possible with reliability standards across the interconnected Bulk-Power System of the North American continent. An RRS shall be more stringent than a continent-wide reliability standard, include a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the Bulk-Power System.

An RRS or OP may include a guidance section, background section or other narrative sections; however, these sections are not required. Incorporation of extrinsic documents into an RRS or OP should be avoided.

An RRS or OP may include new definitions of terms that need to be added to the WECC or NERC glossaries. Wherever possible, DTs are encouraged to use existing defined terms rather than create new defined terms.

In drafting the applicability section of an RRS, only those functional entities listed in the currently approved NERC Functional Model shall be used. When drafting the applicability section of an OP, use of the NERC Functional Model is not required. Development of an OP should conform to WECC internal policies and practices, unless otherwise specified herein.

In the course of its ~~review~~ assignment, the ~~Drafting Team~~: DT shall, at a minimum:  
will review the-

- Review any preliminary technical assessment provided ~~by~~with the requester; ~~SAR;~~
- ~~may perform~~Perform or request additional technical studies, ~~if necessary;~~ as needed;
- ~~will complete an impact assessment report as part of its evaluation to assess the potential effects of the request;~~
- ~~may prepare additional~~Prepare supporting documents to support the ~~Draft Standard~~RRS or OP as needed; and
- ~~may request~~Request from the WSC additional time to develop the ~~Draft Standard~~RRS or OP, if the Drafting Team believes it is necessary.-

~~The Drafting Team, upon reaching a determination, by majority vote, on the language for a Draft Standard, shall submit the Draft Standard to the WSC. The Drafting Team shall also~~

supply the WSC with the impact assessment report, any additional technical studies performed, and any other materials that significantly contributed to the Drafting Team's evaluation and drafting of the Draft Standard.

#### **Step 4—Draft Standard Posted 5 – Post for Comment**

Upon completion of each iterative draft of the RRS or OP, WECC staff shall facilitate the posting of the draft RRS or OP on the WECC website, along with supporting documents, if any, for a comment period of no less than 45 days for the first iteration and no less than 30 days for each iteration thereafter, except as allowed in the Expedited Process for Urgent Action section of these Procedures.

An implementation plan shall be included in at least one iterative posting during the development of the RRS or OP and shall be a part of the final record for consideration prior to ballot.

A notice that the comment period has been opened shall be distributed via the SEL. The notice shall include, at a minimum, the following information:

- Identification of the RRS or OP;
  - What action is being taken (e.g., request for 30- or 45-day comment);
  - The location of the document for review;
  - How to submit comments or perform the requested action; and
  - The opening and closing dates during which the solicited action shall take place.
- Unless otherwise posted, all posting periods close at 5:00 p.m. (Mountain).

WECC shall open a Web portal to serve as the sole means of receiving comments on the RRS or OP. Comments received via other media or received outside of the posted comment period will be accepted at the discretion of the DT. Comments may be submitted by any individual or entity, or a group of parties with a common comment. To streamline the process, if a group of parties elects to submit a common comment, those parties are encouraged to submit that common comment only once and append to the comment the names of all those individuals, entities or groups that are in support of the common position. DTs are charged to give due weight to such a joint comment and not to view the comment as having been received by a single individual or entity.

The WSC shall monitor each posting and review the posted documents to determine whether the DT remains within the scope of the SAR. At any time prior to opening a Ballot Pool, if the WSC concludes that the proposed RRS or OP is not within the scope of the SAR or does not meet other regulatory requirements or directives, the WSC shall either remand the RRS or OP to the DT with a specific explanation identifying the deficiencies that must be remedied, adjust the scope of the SAR, or retain the SAR as drafted and replace the DT.

Upon receiving the remanded RRS or OP and explanation of deficiencies, the DT shall initiate a redraft following the steps contained in these Procedures. If a new DT is assigned, the new DT shall start the development efforts at Step 4 of these Procedures.

## **Step 6 – Respond to Comments**

The DT shall consider all comments submitted in accordance with these Procedures. If the same comment is provided more than once, the DT may provide a single response to all comments that raise the same or a similar concern.

The DT shall prepare a summary of the comments received and the changes made to the proposed RRS or OP as a result of comments received. The DT shall summarize comments that were rejected by the DT, in whole or in part, and the reason(s) that these comments were rejected. The summary, along with a response to each comment received, will be posted on the WECC website no later than the next posting of the proposed RRS or OP.

All parties submitting comments are encouraged to participate in the DT meetings during which responses to their comments are considered and drafted.

The DT should target posting its responses to the WECC website no later than 30 days after the comment window has closed. If more than 30 days are required, the DT chair shall advise the WSC chair of the DT's progress and request additional assistance as needed.

### **Substantive Changes**

If the DT determines that comments received during any posting warrant a Substantive Change to the language of an RRS or OP, the DT shall consider each comment and redraft the RRS or OP accordingly, repeating the posting / comment / response cycle as many times as needed to address the Substantive Changes while staying within the scope of the SAR.

If at any time during the development process the DT determines that the scope of the SAR should be adjusted, the DT shall present that request to the WSC for disposition.

If at any time during the development process the DT determines that it has reached a developmental impasse, the DT shall present the issue to the WSC for disposition.

If comments received during any posting do not warrant a Substantive Change to the language of an RRS or OP, the DT shall be polled at a regularly scheduled and announced DT meeting and asked whether the RRS or OP should be forwarded to the WSC with a recommendation to ballot the document. If the DT concludes by an affirmative majority vote that the RRS or OP should be forwarded to the WSC with a recommendation for ballot, the document will be forwarded accordingly.

### **Non-Substantive Changes**

These Procedures acknowledge that a Non-Substantive change may be discovered at any point during or after the final development of the RRS or OP.

Non-Substantive Changes to an RRS shall be handled in accordance with the NERC Standards Development Manual or its successor.

Non-Substantive Changes to an OP shall be addressed using WECC's internal policies and practices. Non-Substantive changes for OPs do not require a comment / response cycle.

## **Step 7 – Submit Proposed Draft to the WSC with a Request for Ballot**

Upon completion of the proposed RRS or OPs, the DT shall present the proposed RRS or OPs to the WSC with a request for ballot. The WSC shall address that request no later than its next regularly scheduled meeting.

After receiving a request for ballot, the WSC shall review the RRS or OP as presented and determine whether it fulfills the requirements stated in the SAR. The WSC shall also consider whether extrinsic requirements, such as FERC orders, Board directives, or other regulatory directives are met by the content of the document.

If the WSC concludes that the proposed RRS or OP is ready for ballot, the WSC shall forward the RRS or OP to WECC staff with a request that a Ballot Pool be formed from the Ballot Body, for the specific intent of seeking approval of the proposed RRS or OP. The results of the WSC's vote to forward the RRS or OP to the Ballot Pool shall be documented. Any WSC member that opposes submittal of the RRS or OP will be encouraged to provide dissenting comments, and if possible, specific language that would make the draft document acceptable to the dissenting member. If the WSC cannot reach agreement to submit the RRS or OP to the Ballot Pool, the WSC will report to and seek guidance from the Board.

If the WSC concludes that the proposed RRS or OP is not ready for ballot because it does not fulfill the requirements of the SAR or because it fails to meet other regulatory requirements or directives, the WSC shall remand the RRS or OP to the DT with a specific explanation identifying the deficiencies that must be remedied.

Upon receiving the remanded RRS or OP and explanation of deficiencies, the DT shall:

- 1) Redraft the RRS or OP accordingly;
- 2) Initiate iterative comment / response cycles as needed until it again concludes that no further Substantive Changes are needed; and
- 3) Return the proposed RRS or OP to the WSC for disposition.

## **Step 8 – Convene a Standards Briefing**

Once the WSC approves submitting the RRS or OP to the Ballot Pool for ballot, WECC shall dispatch notice to the SEL that a Standards Briefing will be held to discuss the content of the proposed RRS or OP prior to balloting. Notice shall be provided 15 days or more before the Standards Briefing is to be held and shall provide, at a minimum, the following:

- Identification of the RRS or OP;
- The time and place of the Standards Briefing; and

- The location of the proposed RRS or OP and related documentation for review.

## **Step 9 – Form the Ballot Pool and Ballot the Standard**

Any individual or entity seeking participation in the ballot of an RRS or OP shall apply to WECC for Ballot Body membership in any SVS in which it is eligible. WECC staff shall review the request and confirm eligibility to join the Ballot Body.

Decisions of the staff to approve, deny, or restrict the admission of an individual or entity to a voting sector may be appealed in accordance with the WECC Bylaws.

From the Ballot Body, a discrete Ballot Pool will be formed for each RRS or OP to be balloted under these Procedures. All members of the Ballot Body shall be provided an opportunity to opt into a Ballot Pool formed for purposes of voting on each RRS or OP. It is the Ballot Pool that votes on RRSs and OPs developed under these Procedures.

Notice that a Ballot Pool is forming will be dispatched via the SEL. That notice shall contain, at a minimum, the following information:

- 1) Identification of the RRS or OP;
- 2) The proposed action to be taken (e.g., Notice of Ballot Pool Formation / Notice of Ballot);
- 3) When the Ballot Pool will open;
- 4) When the ballot will take place;
- 5) How to cast a vote; and
- 6) The location of the proposed RRS or OP and related documentation for review.

The Ballot Pool registration window shall remain open for a period determined by WECC staff, but in no case shall the Ballot Pool registration window be open less than 15 days or more than 30 days.

Once notice of a Ballot Pool forming has been dispatched: 1) the ballot window shall commence no sooner than 15 days and no later than 45 days after that dispatch; and 2) no Substantive Changes may be made to the proposed document unless the revisions are posted for an iterative comment / response cycle and a new date is set for ballot.

Once the ballot window opens, no Ballot Body member may join or withdraw from the Ballot Pool. The WECC Director of Standards (DOS) may authorize deviations from this rule for extraordinary circumstances such as the death, retirement, or disability of a Ballot Pool member that would prevent an otherwise eligible entity from casting a vote during a given ballot window.

Voting on an RRS or OP shall be via electronic voting administered on the WECC website. The default voting window shall be a period of 15 days; however, the window may be held open up to a maximum of 60 days to reach a quorum. During a ballot window, WECC shall not sponsor or facilitate public discussion of the standard to be balloted.



Eligible members of the Ballot Pool may cast one vote in each SVS for which they are eligible.

Participating Stakeholders may only vote on an RRS if they have applied for and been granted Participating Stakeholder status. A Participating Stakeholder is only entitled to vote on an RRS and may only vote on a WECC Criterion if the proposed WECC Criterion could result in sanction to a non-WECC Member. A Participating Stakeholder is not entitled to vote on any other OP.

Each member of the Ballot Pool casting a negative vote on an RRS or OP will be required to provide a statement explaining the reason for the negative vote. The statement should include language that would make the RRS or OP acceptable. The statement will be included in the voting record for consideration by the WSC and the Board.

A two-thirds (2/3) quorum of the Ballot Pool is required for each vote. Upon receiving the Draft Standard from the Drafting Team, the WSC shall decide whether to: (i) post the Draft Standard provided by the Drafting Team for comment; (ii) further revise or modify the Draft Standard provided by the Drafting Team, then post the WSC's revision for comment; (iii) return the Draft Standard to the Drafting Team for further work, as directed; or (iv) terminate the Standard development activity in accordance with the procedures for rejecting a SAR in Step 2. A majority (greater than 50 percent) vote of the authorized membership of the WSC is required to terminate a Draft Standard at this stage. If the WSC chooses to remand the draft back to the Drafting Team, the WSC chair shall provide the Drafting Team with the committee's reason for the remand and provide further guidance, as necessary. Quorum shall be based on the total number of Ballot Pool members and shall not be based on the total number of votes cast. Abstentions and negative votes cast without an explanation shall not be counted for the purpose of determining consensus, but will be counted for purposes of obtaining a quorum.

~~If the WSC chooses to present the Draft Standard for comment, the WSC shall post the initial Draft Standard on the WECC website and provide 45 days for comments. Along with the draft, the WSC will post the impact assessment report and other supporting materials. The Draft Standard will include all mandatory requirements. In addition, the Draft Standard will include measurements, Violation Risk Factors (VRFs), and Violation Severity Levels (VSLs).<sup>5</sup> Notice of this posting and a solicitation for comments on the draft will be sent to all WECC members and all individuals who subscribe to the WECC standards e-mail list. In addition the notification of posting and solicitation for comments will be simultaneously noticed to NERC. The WSC may request input from affected parties regarding their estimated cost to implement the Draft Standard and may use that data to amend an impact assessment report, which will be posted for comment when it becomes available.~~

---

<sup>5</sup> Regional Criteria, which are also to be developed under this Procedure, will not contain VRFs or VSLs which are only necessary for Standards that will be enforceable and for which violations may result in penalties.

~~Members of electric industry organizations may respond through their organizations, or directly, or both. All comments will be supplied electronically and will be posted on the WECC website.~~

### ~~Step 5 — WSC Deliberates on Comments~~

~~The WSC chair is responsible for ensuring that comments are addressed in a timely manner. The WSC may further employ and oversee the Drafting Team for purposes of analyzing and responding to comments. The WSC will post its response to comments on the WECC website within 30 days of the close of the comment period. All parties that submit comments are strongly encouraged to participate in WSC deliberations.~~

~~If the WSC determines, by majority vote, any technical comments including those on the draft or the impact assessment report are significant, it will repeat Steps 3 and 4 as many times as considered necessary to ensure adequate opportunity for interested stakeholder input. All interested stakeholders are strongly encouraged to submit their comments as early in the process as possible. The number of days for comment on each subsequent revision to the Draft Standard will be 30 days.~~

~~A majority vote of the WSC is required to approve submitting the recommended Draft Standard to the Ballot Body for a vote. Balloting results will be documented. All WSC member dissenting voters, as well as others participating in the WSC deliberations, will be encouraged to provide dissenting comments and, if possible, specific language that a party believes would make the Draft Standard acceptable. If the WSC vote fails to capture a simple majority to approve submittal to the Ballot Body for a vote, and there is no apparent way to reach a majority agreement, the WSC will report to and seek guidance from the WECC Board.~~

### ~~Step 6 — WSC Submits Draft Standard for Ballot Body Vote and Ballot Pools Are Established~~

~~The WSC's final Draft Standard will be posted on the WECC website at least 30 days prior to the commencement of the voting window and WECC members and Participating Stakeholders who have joined the Ballot Body<sup>6</sup> will be notified of the WSC's recommendation. The posting will include the final WSC member vote, any dissenting WSC member comments, a summary addressing comments that were not incorporated into the Draft Standard, the impact assessment report and the period of time during which the Ballot Body is scheduled to vote on the WSC's recommendation.<sup>7</sup>~~

---

<sup>6</sup>Each WECC Member and Participating Stakeholder shall be permitted to designate a person who is authorized to join Ballot Pools for Standards and to either cast a vote within those Ballot Pools or designate a proxy to cast the vote of the WECC Member or Participating Stakeholder. Each such designated person shall be provided a user name and password for use in electronically identifying that entity's authorization to act within the Ballot Body. The Ballot Body will be renewed every five years as part of WECC's section 4.9 review.

<sup>7</sup>The period of time the vote is scheduled shall take into account the next scheduled Joint Session of the Standing Committees.



~~Notice of the posting also will be sent to the Standing Committees, all Participating Stakeholders, and the standards email list. In addition, the notification of the posting for ballot will be simultaneously noticed to NERC.~~

~~After posting of the Draft Standard, the Standing Committees shall participate in at least one Joint Session addressing the Draft Standard. In addition to the Joint Session, individual Standing Committees may undertake additional discussions or webinars.~~

~~The notice shall solicit participants for the Ballot Pool for the final Draft Standard scheduled for a vote. Members of the Ballot Body choosing to vote on the Draft Standard shall respond to the WSC's solicitation for Ballot Pools within a period designated by WECC Staff. Responses from Ballot Body members shall indicate within which WECC Standards Voting Sector(s) the party chooses to vote. Where a WECC member or Participating Stakeholder is eligible for multiple WECC Standards Voting Sectors, it may vote in any or all of its eligible sectors as allowed pursuant to the Bylaws (section 8.5.5.2) and this Reliability Standards Development Process. Based on responses to the Ballot Pool solicitation, WECC staff shall form the Ballot Pool for a particular Draft Standard.~~

### ~~Step 7 – Ballot Pool Vote on Recommendation to Board~~

~~In accordance with Sections 8.5 and 8.6 of the WECC Bylaws, the Ballot Pool will vote on the Draft Standard. Voting shall begin at least seven (7) calendar days following the Joint Session of the Standing Committees at which the Draft Standard was considered. Voting on Draft Standards shall be via electronic voting administered by the WECC website, and shall take place over a fifteen (15) business day voting window. Each WECC member or Participating Stakeholder may cast one vote in each eligible voting sector. Voters rejecting the Draft Standard will be required to provide an explanation of their vote. Explanations will be added to the record in order to assist the WSC's and/or the Board's subsequent consideration of the Draft Standard.<sup>4</sup>~~

~~A weighted majority vote of the Ballot Pool is required for a Draft Standard an RRS or OP to be approved by the WECC membership and Participating Stakeholders. Voting among the WECC Standards Voting Sectors will be SVSS shall be weighted as follows:-~~

- ~~• For each SectorSVS with ten10 or more voters, the number of affirmative votes cast shall be divided by the sum of the affirmative and negative votes cast to determine the fractional affirmative vote for that Sector. ~~Abstentions, incomplete votes, and non-responses shall not be counted for the purposes of determining the number of voters in the SectorSVS.~~~~
- ~~• For each SectorSVS with less than ten10 voters, the same process shall be used to determine the fractional affirmative vote, but the fractional affirmative vote of that SectorSVS shall be multiplied by ten10 percent (40%) times the number of voters. ~~E.g.,~~~~
- ~~• For example, for a SectorSVSS with nine voters, the fractional affirmative vote will be multiplied by ninety90 percent (90%). ~~Abstentions, incomplete votes, and non-responses shall not be counted for the purposes of determining the number of voters in the Sector.~~~~

- ~~The sum of the fractional affirmative votes from all SectorsSVSSs divided by the weighted number of SectorsSVSSs voting shall be used to determine if a weighed majority has been achieved. A Sector and whether the RRS or OP has been approved. An SVS shall be considered as voting if any member of the SectorSVS in the Ballot Pool casts either an affirmative or a negative vote. If there are more than ten voters in the SectorSVS, the weighting used for the calculation of “weighted sectors voting” shall be one hundred100 percent ~~(100%)~~. For SectorsSVSSs with less than ten voters, the weighting used for the calculation of the “weighted sectors voting” shall be ten10 percent ~~(10%)~~ per voter. ~~Abstentions, incomplete votes, and non-responses~~~~
- ~~An RRS or OP shall not be counted for the purposes of determining the number of voters per Sector.~~
- ~~A Standard shall be deemed~~ approved by the Ballot Pool if the sum of fractional affirmative votes from all SectorsSVSSs divided by the weighted number of voting SectorsSVSSs is a majority (i.e., greater than fifty50 percent ~~(50%)~~).

~~A two thirds (2/3) quorum of the Ballot Pool is required for each vote. Abstentions and incomplete responses will be counted in determining whether a quorum of the Ballot Pool is achieved. Quorum shall be based on total number of Ballot Pool members, and shall not be based on total number of votes cast. If necessary, the voting window may be extended by the WSC until a quorum is achieved.~~

After a vote by the Ballot Pool, the WSC ~~will~~shall take one of the following actions:.

~~(1) If the Ballot Pool approves a Draft Standard an RRS or OP, the WSC shall submit the recommended Draft Standard RRS or OP to the WECC Board. for approval. The WSC shall provide the Draft Standard, any comments on which the WSC members did not agree, minority opinions of WSC members, explanations supporting votes in opposition to the Draft Standard, and the impact assessment for the Draft Standard voting results to the Board for, including the final approval. To be considered by the Board, ballot results and any rationale supporting any “no” votes by a WSC member on a Draft Standard shall be accompanied by a text explaining the “no” vote and, if possible, should provide specific language negative votes cast.~~

~~Any RRS or OP that would make the Draft Standard acceptable. Relevant voting information from the Ballot Pool shall be submitted to the Board for its consideration in determining whether or not to approve the Draft Standard. Final Draft Standards and all materials was provided to the Board for approval will be posted no less than 30 days prior to the Board vote.<sup>8</sup> The date of the expected Board vote will also be posted for Board review for at least the period mandated by the WECC Bylaws.~~

<sup>8</sup> ~~WECC Bylaws, Section 7.5.1 — “Except as set forth in Section 7.5.2 regarding urgent business, all regular business of the Board will occur at the Board meetings, at least twenty-one (21) days’ advance notice of which has been provided...”~~

~~(2) If the Ballot Pool rejects a Draft Standard, the WSC may, by a majority vote (greater than 50-percent of the WSC membership), decide to amend or modify the initial Draft Standard or remand it back to the Drafting Team to amend or modify it. Any amended or modified Draft Standard must be resubmitted to the Ballot Pool for a vote before the WSC submits the subsequent Draft Standard to the WECC Board. If the WSC determines by majority vote (greater than 50% of the WSC members) that the modifications to the Draft Standard could be unanticipated by the Ballot Pool or may be controversial, the amended or modified Draft Standard shall be subjected to an additional Joint-Session discussion prior to voting. The reasons for the modification(s) will be documented, posted, and provided to the Board. If any changes are made at the WSC meeting, the roll call of votes for and against the subsequent Draft Standard and abstentions will be recorded at the meeting, and the subsequent Draft Standard will be posted for 10 days for comments. The comments will be posted and distributed to the Ballot Pool and will be made available prior to any subsequent rounds of voting. Unless otherwise directed by the WSC, the Ballot Pool for subsequent votes on a Draft Standard shall consist of the same parties.~~

~~(3) If the Ballot Pool rejects a Draft Standard, the WSC may allow the Draft Standard to terminate.~~

If the Ballot Pool rejects the RRS or OP, the SAR shall be deemed complete and all associated documents shall be archived, except as allowed in the Regulatory Directive section of these Procedures.

## **Step 8—10 – Initiate the Appeals Process – If Needed**

~~Requests for reconsideration of WSC decisions may be made to the WSC. The WSC will post its findings. The subsequent rejection of such a request by the WSC may be appealed to the Board.~~

~~A Draft Standard recommended by the WSC may be appealed on either technical or due process grounds. Any due process or technical appeals must be submitted, in writing, to the WECC staff within 15 days of the date the WSC posts a recommendation.~~

~~An appeal to the Board shall be posted on the WECC website and shall be heard at the Board's next regularly scheduled meeting occurring at least 21 days after the appeal is filed.~~

## **Step 9—Board Approval**

~~The WECC Board of Directors will consider the proposed Draft Standard no later than at its next~~

meeting occurring at least 30 days after the Ballot Pool vote. The Board will consider the WSC's. An appeal may be brought on the basis of either a technical (reliability) concern or a due process (procedural) concern.

If the appeal is based on technical grounds, that appeal may be brought at any stage of the development process prior to the opening of a ballot window. The appeal shall be submitted to the DOS who shall place the appeal on the agenda of the next regularly scheduled WSC meeting. If the appellant does not concur with the WSC's findings, the appellant may request that the DOS forward the matter to the Board for disposition.

If the appeal is based on due process concerns, the appellant shall submit the matter to the DOS no later than 30 days after the alleged occurrence of the due process violation, but in no case shall an appeal on due process grounds be accepted more than 30 days after the RRS or OP has been approved by the Ballot Pool. The appeal shall be submitted to the DOS who shall place the appeal on the agenda of the next regularly scheduled WSC meeting. If the appellant does not concur with the WSC's findings, the appellant may request that the DOS forward the matter to the Board for disposition.

The filing of an appeal shall not halt the development process; however, the appeal shall be settled by the Board before the Board votes to approve the RRS or OP.

### **Step 11 – Obtain Board Approval**

The Board shall consider the RRS or OP for approval no later than at its next regularly scheduled meeting after the close of the Ballot Pool window and recommendation for approval by the WSC, subject to the notice requirements in the WECC Bylaws.

Any person or entity may submit comments to the Board for the Board's consideration. The Board shall consider:

- 1) All comments submitted for its consideration;
- 2) The WSC's recommendations and minority opinions, ~~all~~if any;
- 3) All comments that were not incorporated into the ~~draft Standard~~RRS or ~~revision(s)~~OP;
- 4) Voting results including, at a minimum, the final ballot results and the ~~impact assessment report~~. The ~~any~~ rationale supporting negative votes; and
- 5) Any other supporting documentation.

If an OP is approved by the Board, WECC shall post the final OP on its website and the SAR will be deemed complete. The effective date will be that approved by the Board.

If an RRS is approved by the Board, WECC shall forward the RRS to NERC for NERC and FERC disposition.

If the RRS or OP is ~~not amend or modify~~approved by the Board, the Board may either deem the SAR complete or remand the RRS or OP to the DT with specific guidance as to proposed changes.

If the RRS or OP is remanded, any Substantive Changes must be vetted in accordance with these Procedures. Under no circumstances shall the Board make Substantive Changes to the RRS or OP, except in accordance with its backstop authority as authorized by the WECC Bylaws.

## **Step 12 – Submit RRSs for ERO Review, FERC Approval & Implementation of WECC Regional Reliability Standards**

**Note:** Step 12 only applies to RRSs.

All new, revised, or retired RRSs shall be submitted to NERC for NERC and FERC approval. The approval, revision or retirement of an RRS shall not be effective in the United States until approved by FERC and shall not be effective in another jurisdiction until approved by the applicable governmental authority.

## **Step 13 – Retire an OP**

Upon determining that the subject matter of an OP is duplicated in a NERC Reliability Standard, and that retirement of the OP will not cause a reliability gap after the effective date of the associated NERC Reliability Standard, the WSC may retire a WECC OP on its own initiative without further due process.

## **Step 14 – Submit a Draft Standard, except to make nonmaterial changes to the language**Request for Interpretation

A Request for Interpretation (RI) of a Standard or revision thereto. If approved, the Standard will be posted on the WECC website and all parties notified.  
~~If the Draft Standard is not approved, the Board may return the Draft Standard to the WSC for further work, or the Board may terminate the Standard activity with an appropriate notice and explanation to the SAR requester, WSC, and participants in the Ballot Pool. These Board actions will also be posted.~~

~~A majority vote of the Directors present at a Board meeting, as specified in Sections 7.2 and 7.4.1 of the WECC Bylaws, is required to approve the recommended Standard.~~

## **Step 10 – ERO Review, FERC Approval and Implementation of Reliability Standards**

~~To the extent required under Section 215 of the Federal Power Act, 18 C.F.R. Part 39, and according to procedures established in the delegation agreement between WECC and the Electric Reliability Organization (“ERO”), the Board shall submit new Reliability Standards, revisions to existing Reliability Standards, and terminations of existing Reliability Standards for review by the ERO and approval by FERC. Upon approval by FERC, the Reliability Standards will be made part of the body of NERC reliability standards and enforced upon all applicable bulk power system owners, operators, and users within the WECC region. Parties’ right to participate in the ERO and FERC review processes shall be as established in the applicable regulations and the ERO/WECC delegation agreement. Reliability~~

~~Standards subject to ERO review shall become effective as approved by FERC or, for entities outside of the U.S. portion of the Western Interconnection, upon approval by the applicable Canadian or Mexican authorities.~~

### ~~Step 11 — Implementation of Standards Not Subject to ERO/FERC/Other Approval~~

~~All new and modified Standards not subject to ERO review and FERC, Canadian or Mexican approval as provided in Step 10 shall become effective as ordered by the WECC Board. As of the effective date of such new or modified Standard, all industry participants in the Western Interconnection that such Standard is applicable to are expected to implement and abide by the Standard. Any and all parties to this Process retain the right of appeal to other authorities as the law allows.~~

### ~~Expedited Process for Urgent Action~~ **Interim Standards** document developed under these Procedures

~~In cases requiring urgent action, such as in the development of emergency operating procedures, any Standing Committees or Participating Stakeholders may propose a new or modified interim Standard for approval by the WECC Board through a process that eliminates any or all of the steps outlined above, but only to the extent necessary, and only in a manner that is consistent with the WECC Bylaws. Such interim Standard shall be replaced by a Board-approved permanent Standard, developed using all the steps identified in this document within one year (or such additional time as may reasonably be required to complete all steps) from the date on which the WECC Board approved the interim standard. An interim Standard may be converted to a successor permanent Standard as long as any procedural steps bypassed in developing the interim Standard are completed with respect to the permanent Standard. If necessary, the Board may renew an interim Standard to allow additional time for the development of a successor permanent Standard. Renewal may occur more than once, but a good faith effort must be made to develop a successor permanent Standard.~~

### ~~Interpretation of Regional Standards and Regional Criteria~~

~~Any entity may request an interpretation of a Standard by sending a request through the WECC web portal identifying the Standard and requirement or requirements for which additional clarity is sought. The request shall indicate the material impact to the requesting entity or others caused by the actual or potential lack of clarity. An interpretation is limited to clarifying existing requirements in the approved Standards. Interpretations document and may not be developed that expand upon a requirement or that provide guidance on how to apply/implement a requirement. The WECC Staff shall review the request for clarity and completeness and shall work with the requestor to clarify the request or complete any missing elements of the request if needed. The WECC Staff shall forward the request to the WSC. If the WSC believes that the request is intended to change a requirement or is seeking feedback on how to apply a requirement, rather than interpret the requirement, the request shall be denied and returned to the requestor with an explanation. If denied, the requestor shall be advised of the appeals process.~~

~~The RI is initiated by submitting WECC's online SAR form. The SAR shall: 1) identify the specific document; 2) identify the requirement within that document for which an interpretation is being requested, and 3) specify the perceived lack of clarity. The SAR shall indicate the material impact to the requesting entity or others caused by the perceived lack~~



of clarity.

The RI is processed using the same process set forth in these Procedures with the following exceptions:

#### The chair of the WSC

- ~~Within 21 days of receiving the request, the WSC Chair shall assemble an Interpretation Drafting Team (IDT). The IDT shall be composed of SMEs with the relevant expertise to address the clarification. The IDT and, to the extent possible, should include members from of the original Standard Drafting Team to the extent possible, and may be supplemented as deemed appropriate by the WSC Chair, but shall not contain any members DT. The IDT shall not include any team member representing the entity that submitted the request.~~ filed the RI; however, this prohibition does not preclude representatives of the filing entity from participating in the development process.

~~As soon as practicable, but not more than 45 calendar days after the WSC assembles the IDT, the IDT shall draft a written interpretation to the Standard providing the requested clarity. The interpretation shall be posted for a 30-day formal comment period. The IDT shall then have 15 days to respond to the comments and to make any changes to the interpretation. The IDT shall reach a determination on the language for an interpretation by majority vote of the IDT. The IDT shall then return the interpretation to the WSC which shall then post the interpretation for another 30 days to give entities time to review the interpretation prior to a Ballot Pool vote. Notice of this posting will be sent to the Ballot Body, and the notice shall solicit participants for the Ballot Pool for voting on the interpretation. After posting of the interpretation, the Standing Committees shall participate in at least one Joint Session addressing the interpretation. Voting on the interpretation shall be consistent with the quorum and weighted voting procedures explained in Step 7 of these Reliability Standards Development Procedures. Use of a conference call or web meeting and electronic or email balloting is encouraged to shorten the interpretation process. If the interpretation is approved by a weighted majority of the Ballot Pool, the WSC shall forward the interpretation to the WECC Board of Directors for approval. If the Ballot Pool rejects the interpretation, the WSC shall notify the requestor. The WSC shall also ask the IDT to provide a revised interpretation.~~

- ~~Interpretations of Regional Standards shall be~~ If all of the document is to be subsumed into the new PSS RRS the PSS DT should recommend to the Standing Committee that the document be retired as of the effective date of the replacement document.

Once an interpretation of an RRS has been approved by the Board, the interpretation shall be appended to the RRS and submitted to NERC for processing with a request that the interpretation be adopted by the NERC Board of Trustees and then filed for approval with and FERC and applicable Governmental Authorities in British Columbia, Alberta and Mexico. approval.

- ~~For~~ entities operating in the United States, once the interpretation of a Regional Standard is approved by FERC, the interpretation shall become effective and shall be appended to the Standard. For entities outside of the U.S. portion of the Western Interconnection, interpretations shall become effective for these entities only upon approval by the appropriate Canadian or Mexican regulatory authority. The interpretation will remain appended to the Standard RRS until such time as the Standard is revised through the normal process incorporating the clarifications provided by the interpretation RRS is revised and the

interpretation's content is addressed during the revision process. RRS interpretations shall not be effective in the United States until approved by FERC and shall not be effective in other jurisdictions until approval by the applicable governmental authority.

## **Supporting Processes**

### **Expedited Process for Urgent Action**

In cases requiring urgent action, such as in the development of emergency procedures, any person or entity may propose an interim RRS or OP for approval by the WECC Board. The RRS or OP must go through a process that eliminates any or all of the steps outlined previously, but only to the extent deemed necessary by the Board and only in a manner that is consistent with the WECC Bylaws.

If the Board approves the interim document, it shall establish an initial effective date for the interim document.

Within 90 days after the initial effective date of the document, the Board shall either:

- 1) Cause a SAR to be submitted requesting the development under these Procedures of a permanent replacement to the interim document; or
- 2) Shall extend the applicability of the interim document for an additional 90 days.

Renewal may occur more than once, but a good faith effort must be made to develop a permanent replacement under these Procedures.

If a SAR is submitted, the interim RRS or OP shall remain in effect until the permanent replacement RRS or OP becomes effective.

If a SAR is not submitted and the interim RRS or OP has not been extended, the interim RRS or OP shall be deemed retired.

### **Regulatory Directives**

#### **Special Procedures for Addressing ~~Regulatory Directives~~**

These Procedures acknowledge that FERC may order WECC to make specified regulatory changes to documents created under these Procedures. For the purpose of this section only, those documents are referred to as Directive Regional Reliability Standards (DRRS).

If the Board determines that ~~the WECC Standards Process did not~~ these Procedures failed to result in a ~~proposed Draft Standard that addresses a directive issued by the FERC or by a Mexican or Canadian~~ DRRS meeting the mandated regulatory authority (Applicable Regulatory Authority), ~~hereinafter, "regulatory directive," then~~ changes, the Board shall have authority to take ~~certain~~ the following actions to ensure that ~~a Draft Standard~~ the DRRS is responsive to the regulatory



~~directive is drafted, approved and/or submitted to the Applicable Regulatory Authority.<sup>9</sup> The Board shall have the authority to choose which one or more of the actions set out below are appropriate to the circumstances and need not take these actions in sequential steps.~~

~~1. Board Remand to the WSC after an Affirmative Vote of the If the Ballot Pool. If the Board is presented with approves a Draft Standard DRRS that fails to does not address a regulatory directive required to be included in that document, the Board may remand to the WSC the proposed Draft Standard with instructions (including establishing a timetable for action).~~

~~2. Board Remand to WSC for Additional Public Consideration and Re-ballot. Upon a written finding by the Board that a Ballot Pool has failed to approve a Draft Standard that contains a provision to address a specific matter identified in a regulatory directive, the Board has the authority to remand the Draft Standard to the WSC with instruction to (i) the DRRS to the original DT or instruct the WSC to convene a public technical conference new DT to discuss redraft the issues surrounding document. The Board shall instruct the DT on the specific regulatory directive, including whether or not the Draft Standard is just, reasonable, not unduly discriminatory or preferential, that must be contained in the public interest, helpful to reliability, practical, technically sound, technically feasible, and cost justified; (ii) working with WECC staff, prepare a memorandum discussing the issues, an analysis of the alternatives considered and other appropriate matters; and (iii) re-ballot the Draft Standard one additional time, with such adjustments in the schedule as are necessary complete a re-ballot of the Draft Standard within forty five (45) days of the remand. The WSC memorandum shall be made available to the Ballot Pool in connection with the re-ballot. In any re-ballot, negative votes without comment shall be counted for purposes of establishing a quorum, but only affirmative votes and negative votes with comments related to the Draft Standard shall be counted for purposes of determining the number of votes cast and whether the Draft Standard has been approved by the Ballot Pool.~~

~~3. Affirmative Vote upon Re-ballot of Draft Standard. If the re-balloted Draft Standard achieves an affirmative majority vote of the Ballot Pool, with a quorum established, then the Draft Standard shall move to the Board for approval.~~

~~4. Negative Vote upon Re-ballot of Draft Standard. If the re-balloted proposed Draft Standard fails to achieve an affirmative majority vote of the Ballot Pool, or if a quorum redraft. Once the DRRS is not established, then the Board has the authority to consider the Draft Standard for approval pursuant to the following: redrafted it shall be reprocessed under these Procedures.~~

~~(i) The Board If the Ballot Pool rejects a DRRS or fails to ballot the DRRS due to failure to reach a quorum, either when first presented for ballot or during an iterative redraft as instructed by the Board, the Board shall issue notice of its intent to consider the Draft Standard review the DRRS, including all comments provided and shall solicit written public comment particularly focused on the technical aspects of the provisions of the Draft Standard all rationale accompanying any negative vote.~~

---

<sup>9</sup> The procedures in this section, "Special Procedures for Addressing Regulatory Directives," only apply to draft Regional Reliability Standards.

Upon a finding that address the specific matter identified in DRRS was rejected for reasons not related to the regulatory directive, including the Board may direct WECC staff to file a new SAR with the specific narrow scope of addressing only the regulatory directive. The Board may suggest specific language for inclusion in the proposed DRRS.

Upon a finding that the DRRS was rejected based on language addressing the regulatory directive, the Board shall take the following steps to meet its regulatory obligation:

- 1) Review the entire record of development.
- 2) Require a public technical conference to be noticed and convened to determine whether or not the Draft Standard rejected DRRS is:
  - just, and reasonable;
  - not unduly discriminatory or preferential;
  - in the public interest;
  - helpful to reliability;
  - practical;
  - technically sound;
  - technically feasible, and;
  - cost-justified; and

~~(ii) The Board may convene a public technical conference to receive additional input on the matter.~~

~~(iii) After considering the developmental record, the comments received during balloting and the additional input received under (i) and (ii), the Board has authority to act on the Draft Standard. If the Board finds that the Draft Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest, considering (among other things) whether it is helpful to reliability, practical, technically sound, technically feasible, and cost-justified, then the Board has authority to approve the Draft Standard and direct that it be filed with the Applicable Regulatory Authority with a request that it be made effective. If the Board is unable to find that the proposed Draft Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest, considering (among other things) whether it is helpful to reliability, practical, technically sound, technically feasible, and cost-justified, then it has authority to direct that the Draft Standard and complete developmental record, including the additional input received under (i) and (ii), be submitted to the Applicable Regulatory Authority, as a compliance filing in response to the order giving rise to the regulatory directive, along with a recommendation that the Draft Standard not be made effective and an explanation of the basis for the recommendation.~~

~~5. Board Approval or Rejection of a Draft Standard Prepared by the WSC or WECC Staff and Not Balloted. Upon a written finding by the Board that the WSC has failed to develop, or a Ballot Pool has failed to approve, a Draft Standard that contains a provision to address a specific matter identified in a regulatory directive, the Board has the authority to direct the WSC (with the assistance of stakeholders and WECC staff) to prepare a Draft Standard that addresses the regulatory directive, taking account of the entire developmental record pertaining to the matter. If the WSC fails to prepare such Draft Standard, the Board may direct WECC management to prepare such Draft Standard. As part of this process, the Board may convene a public technical conference to receive input on the matter. The Draft Standard shall be posted for a forty-five (45) day public comment period. After considering the entire developmental record, including any comments received during the public comment period, the Board may do one of the following:~~

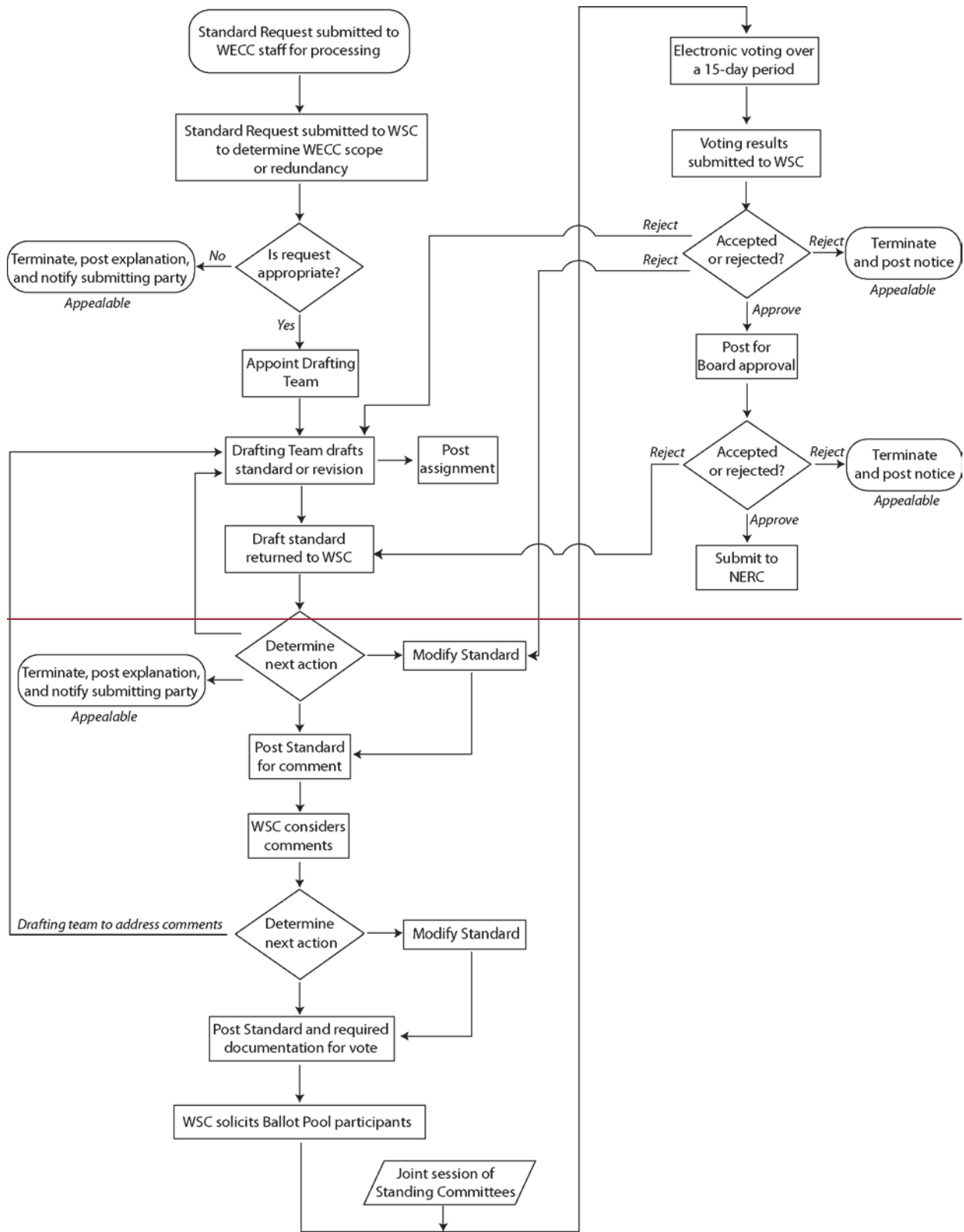
~~(i) The Board may find that the Draft Standard, with such modifications as the Board determines are appropriate in light of the comments received, is just, reasonable, not unduly discriminatory or preferential, and in the public interest, considering (among other things) whether it is practical, technically sound, technically feasible, cost-justified and serves the best interests of reliability of the bulk power system. In this case, the Board has the authority to approve the Draft Standard and direct that the proposed Standard be submitted to the Applicable Regulatory Authority with a request that the Draft Standard be made effective.~~

~~(ii) The Board may be unable to find that the Draft Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest, considering (among other things) whether it is practical, technically sound, technically feasible, cost-justified and serves the best interests of reliability of the bulk power system. In this case, the Board has the authority to direct that the Draft Standard and the complete developmental record be filed as a compliance filing in response to the regulatory directive with the Applicable Regulatory Authority, with a recommendation that the Draft Standard not be made effective.~~

~~WECC shall on or before January 31st of each year file a report with the FERC on the status and timetable for addressing each outstanding directive to address a specific matter received from FERC.~~

~~Approved by the WECC Board June 22, 2011.~~

## STANDARDS-DRAFTING PROCEDURES FLOWCHART



meets the regulatory directive (hereafter "Just and Reasonable").

3) Determine whether the DRRS should be implemented as drafted, notwithstanding

rejection by the Ballot Pool.

Upon a finding that the rejected DRRS should be implemented, the Board shall approve the DRRS and direct that it be submitted to NERC for NERC and FERC approval, as required.

Upon a finding that the rejected DRRS should not be implemented, the Board may submit the DRRS and its record of development as a regulatory compliance filing in response to the regulatory directive. The filing shall include a recommendation that the DRRS not be made effective and an explanation of the basis for that recommendation.

### **Maintenance of the Procedures**

The WSC is charged with maintenance of these Procedures. Proposed changes to these Procedures shall first be brought to the WSC for consideration. The WSC may initiate proposed changes on its own initiative.

If it determines that a change to these Procedures should be pursued, the WSC shall draft the proposed changes and post the proposed changes to the WECC website for comment, accompanied by a notice to the SEL soliciting comments on the proposed changes.

The WSC shall consider all comments received and shall redraft the proposed changes as it deems necessary. Once the WSC approves the proposed changes, those changes shall be submitted to the Board for approval. Changes to these Procedures approved by the Board shall be submitted to NERC for NERC and FERC approval.

### **Maintenance of RRS and OPs Documents**

The WSC shall ensure that each RRS is reviewed at least once every five years from the effective date of the most recent version of the RRS. If the review identifies needed changes, the WSC shall cause a remedial SAR to be filed. If the review does not identify needed changes, the WSC shall communicate its decision via the SEL and no further action will be required.

Review of OPs shall be conducted in accordance with internal WECC policies and procedures.

**Attachment 3**

**Amended Exhibit of the Delegation Agreement Between  
North American Electric Reliability Corporation and  
Western Electricity Coordinating Council**

**Clean Version**

**BYLAWS**  
**OF**  
**THE**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**

## TABLE OF CONTENTS

1.	Vision and Mission.....	1
1.1	Vision.....	1
1.2	Mission .....	1
2.	Furtherance of WECC’s Mission.....	1
2.1	Activities to Carry Out WECC’s Mission. ....	1
2.2	Organizational Characteristics.....	3
3.	Definitions.....	4
3.1	Affiliate.....	4
3.2	Annual Meeting. ....	4
3.3	Applicable Regulatory Authority. ....	4
3.4	Backstop Authority.....	4
3.5	Balancing Authority. ....	5
3.6	Ballot Body.....	5
3.7	Board of Directors (Board).....	5
3.8	Class.....	5
3.9	Commercial Practices. ....	5
3.10	Compliance Hearing Body. ....	5
3.11	Delegation Agreement.....	5
3.12	Director.....	5
3.13	Electric Line of Business.....	6
3.14	Electric Reliability Organization (ERO). ....	6
3.15	Entity. ....	6
3.16	FERC.....	6
3.17	Grid Operating Entity.....	6
3.18	International Reliability Agreement. ....	6
3.19	Local Regional Entity.....	6
3.20	Market Interface. ....	6
3.21	Material External Impacts (MEI). ....	6
3.22	Member.....	6



3.23	Participating Stakeholder.....	7
3.24	Primary Authority.....	7
3.25	Regional Criteria.....	7
3.26	Regional Entity (RE). ....	7
3.27	Registered Entity. ....	7
3.28	Reliability Management System.....	7
3.29	Reliability Standard. ....	7
3.30	Reliability Standards Development Procedures. ....	7
3.31	Transmission Facilities. ....	7
3.32	Western Interconnection.....	8
4.	Members and Membership. ....	8
4.1	Voluntary Membership.....	8
4.2	Eligibility for Membership. ....	8
4.3	Designation of Membership Class.....	9
4.4	Changes in Membership Class. ....	9
4.5	Affiliates and Distinct Business Entities. ....	9
4.6	Rights and Obligations of Membership.....	10
4.7	Limitations on Member Obligations.....	11
4.8	Compliance and Enforcement. ....	12
4.9	WECC Structure and Governance Review.....	12
5.	Procedures for Member Decisions.....	13
5.1	Quorum and Alternative Voting.....	13
5.2	General Membership Meetings. ....	13
5.3	Annual Member Meetings. ....	14
5.4	Special Member Meetings.....	14
5.5	Member Class and Subclass Meetings ....	14
5.6	Notice of Member Meetings.....	14
5.7	Open Meetings.....	15
5.8	Policymaking Authority. ....	15
5.9	Minimum Participation Requirement. ....	15
6.	Governance. ....	15

6.1	Board of Directors. ....	15
6.2	Composition of the Board and Board Member Qualifications.....	15
6.3	Term of Office. ....	18
6.4	Nomination, Selection and Compensation of Directors. ....	18
6.5	Removal of Directors.....	20
6.6	Resignation. ....	21
6.7	Procedures for Filling Vacant Director Positions.....	21
6.8	Duties of Directors.....	22
6.9	Powers of Directors. ....	22
6.10	Delegation of Board Authority. ....	22
7.	Procedures for Board Decisions.....	23
7.1	Quorum.....	23
7.2	Majority Vote. ....	23
7.3	Attendance at Board Meetings by Teleconference.....	23
7.4	Board Action by Unanimous Consent. ....	23
7.5	Notice of Board Meetings.....	24
7.6	Open Meetings.....	25
7.7	Board Committees. ....	26
8.	Member Committees.....	26
8.1	Purpose. ....	26
8.2	Standing Committees.....	26
8.3	Other Committees.....	28
8.4	[Repealed].....	28
8.5	Procedures for Member Advisory Committee Decision-Making.....	28
8.6	Procedures for Committees other than the Member Advisory Committee. ....	33
8.7	Procedures for Developing and Voting on Reliability Standards.....	36
8.8	Notice of Committee Meetings.....	37
8.9	Open Meetings.....	37
9.	The Chief Executive Officer, Officers, and Employees. ....	37
9.1	Designation of Officers and Terms of Office. ....	37
9.2	Chief Executive Officer Qualifications. ....	38

9.3	Standards Applicable to All Employees.....	38
9.4	Employment.....	38
9.5	Chief Executive Officer’s Duties. ....	38
9.6	Secretary’s Duties.....	39
10.	Dispute Resolution.....	39
11.	Costs and Finances.....	39
11.1	Funding of Reliability Activities. ....	39
11.2	Dues. ....	40
11.3	Funding of Non-Statutory Activities. ....	41
12.	Amendments to these Bylaws.....	41
12.1	Amendment by the Board.....	41
12.2	Amendment by the Members. ....	41
12.3	Amendments in Response to Mandatory Membership.....	42
12.4	Amendments proposed by FERC. ....	42
13.	Termination of Organization.....	42
14.	Miscellaneous Provisions.....	42
14.1	Limitation on Liability.....	42
14.2	Indemnification.....	42
14.3	No Third Party Beneficiaries. ....	43
14.4	Informal Inquiries for Information. ....	43
15.	Incorporation.....	43
16.	Governing Law. ....	43
17.	WECC Transition.....	43
17.1	Board of Directors transition. ....	44
17.2	Transition Exceptions.....	44
17.3	Member Advisory Committee transition.....	44

APPENDICES:

- A. Board Member Standards of Conduct
- B. Officers and Employees Standards of Conduct
- C. WECC Dispute Resolution Procedures

**BYLAWS**  
**Of**  
**The**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**

**1. Vision and Mission.**

**1.1 Vision.**

The Western Electricity Coordinating Council (“WECC”) shall seek to achieve the appropriate level of Bulk Electric System reliability at least cost considering all costs throughout the economy.

**1.2 Mission**

WECC is a Utah nonprofit corporation with the mission to foster and promote reliability and efficient coordination in the Western Interconnection. WECC will lead the stakeholders in the Western Interconnection to achieve appropriate system reliability, be the premier source of unbiased information, and serve as the trusted thought leader for the Western Interconnection by providing, consistent with these Bylaws: 1) impartial independent review and analysis of reliability issues impacting the Western Interconnection 2) development of electric reliability standards incorporating Western Interconnection experience and knowledge; 3) consistent and fair monitoring and enforcement activities for compliance with reliability standards; 4) event analysis and lessons-learned from system events; and 5) value for its membership through cost effective and efficient services and practices through: a) being a centralized repository of reliable information relating to the planning and operation of the Bulk Electric System in the Western Interconnection, b) coordinating system planning and modeling, c) sharing of, and providing comment on adherence to, recognized industry best practices, d) facilitating resolution of market seams and coordination issues, e) secure sharing of critical reliability data, and f) providing a robust stakeholder forum.

**2. Furtherance of WECC’s Mission**

**2.1 Activities to Carry Out WECC’s Mission.**

2.1.1 Compliance with the Federal Power Act. WECC will carry out responsibilities and exercise rights of a Regional Entity organized on an interconnection-wide basis pursuant to Section 215 of the Federal Power Act, including any responsibilities and rights delegated to it by the ERO pursuant to a Delegation Agreement.

- 2.1.2 Agreements with Canada and Mexico. WECC will carry out responsibilities and exercise rights pursuant to International Reliability Agreements with Canadian or Mexican authorities.
- 2.1.3 Regional Coordination. WECC will act as a coordinating entity for the entire Western Interconnection for activities of regional organizations with responsibilities for reliability and market functions.
- 2.1.4 Standard Setting. WECC will develop and adopt reliability, operating, and planning standards, criteria and guidelines necessary to maintain the reliable operation of the Western Interconnection's interconnected Bulk Electric System, including seeking, as appropriate, variances from standards of the ERO (or any successor organization which may be created by legislation or otherwise), as well as providing a process for regional variances.
- 2.1.5 Certification of Grid Operating Entities. WECC will assist in certifying Grid Operating Entities in the Western Interconnection.
- 2.1.6 Reliability Assessment. WECC will ensure that interconnected Bulk Electric System reliability assessments are conducted as needed. WECC will do this work in conjunction with the Regional Entities to the greatest extent possible. WECC will also facilitate coordinated reliability assessments among Regional Entities.
- 2.1.7 Compliance Activities. With respect to enforcement of reliability standards, WECC will:
  - 2.1.7.1 implement the Reliability Management System in effect as of WECC's formation and as the Reliability Management System may be subsequently modified in accordance with its terms;
  - 2.1.7.2 implement any monitoring and enforcement mechanisms delegated to it pursuant to Section 215 of the Federal Power Act and any Delegation Agreement with the ERO, or required by any International Reliability Agreement with a Canadian or Mexican authority; and
  - 2.1.7.3 administer any other monitoring and enforcement mechanisms where WECC is designated to perform administration.
- 2.1.8 Coordinated Regional Planning. With respect to the coordination of regional planning activities, WECC:
  - 2.1.8.1 will develop coordinated planning policies and procedures for the Western Interconnection, including facilitation of market-based solutions, consistent with WECC/ERO standards and FERC policy.

- 2.1.8.2 will review and assess Local Regional Entity planning processes to determine whether WECC planning procedures have been satisfied;
- 2.1.8.3 will refer planning matters back to the originating Local Regional Entity for revision or other corrective actions when the WECC Board determines that WECC planning procedures have not been satisfied; and
- 2.1.8.4 may perform other interconnection-wide studies as needed.
- 2.1.9 Coordinated Operations. With respect to coordinating reliable operating activities within the Western Interconnection, WECC will develop, coordinate and promote consistent interregional operating policies and procedures for the Western Interconnection, consistent with WECC/ERO standards and FERC policy.
- 2.1.10 Market Interface Issues. With respect to Market Interface issues WECC will:
  - 2.1.10.1 facilitate development of compatible and efficient practices across the Western Interconnection; and
  - 2.1.10.2 exercise Backstop Authority where an unresolved Market Interface issue will cause Material External Impacts by taking some or all of the following actions: 1) providing a forum for and coordinating voluntary solutions among Members; 2) recommending specific solutions for voluntary adoption by Members; and 3) if necessary, proposing solutions to an Applicable Regulatory Authority.
- 2.1.11 Dispute Resolution. WECC will provide a process for the timely resolution of disputes between WECC Members as set forth in Section 11.

## **2.2 Organizational Characteristics.**

As WECC carries out activities to fulfill its mission, it will seek to develop and maintain the following characteristics:

- 2.2.1 dedication to serving the individuals, businesses, and other organizations that generate, transmit, distribute, market, and use electrical energy in the Western Interconnection;
- 2.2.2 efficiency in its administration, decision-making, policy and standards development, and dispute resolution processes;
- 2.2.3 the ability to maintain status as an Interconnection-wide regional reliability entity and be afforded deference and delegation by ERO (or successor organization); and

- 2.2.4 fair and open processes through which practices, policies, and standards are developed and implemented based on sound technical and policy analysis.
- 2.2.5 Promote an efficient western electric market by reducing or eliminating conflict, duplication and overlap among electric organizations in the Western Interconnection.
- 2.2.6 Allow access to WECC data by individuals who can demonstrate a legitimate business need for the data, provided such individuals agree to such protections and non-disclosure restrictions which may be necessary due to the nature of the data sought to be accessed and agree to pay the incremental costs of providing the data which may be requested.

### **3. Definitions.**

The capitalized terms used in these Bylaws shall have the meanings set forth below, or if not set forth below, shall have the meanings given them in the NERC Glossary of Terms Used in NERC Reliability Standards.

#### **3.1 Affiliate.**

An Entity that directly or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with, another Entity. An Entity “controls” any Entity in which it has the power to vote, directly or indirectly, 5% or more of the voting interests in such entity or, in the case of a partnership, if it is a general partner. Notwithstanding the foregoing definition, for purposes of these Bylaws: 1) electric distribution cooperatives that are member-owners of a generation and transmission cooperative are not Affiliates of the generation and transmission cooperative or of each other; 2) an entity controlled by or operating as a unit, agency, or subdivision of a local, state, provincial, or U.S. federal or Canadian or Mexican national government will not be considered an Affiliate of any other entity controlled by or operating as a unit, agency, or subdivision of a local, state, provincial, or federal government; 3) separate agencies of a single state or province, or of the U.S. federal or Canadian or Mexican national government will not be considered Affiliates of each other, regardless of any commonality of political control; 4) members of any joint powers authority, and such joint powers authority, will not be considered Affiliates of each other; and 5) members of an RTO will not be considered Affiliates of such RTO or of each other solely as a result of such membership.

#### **3.2 Annual Meeting.**

The annual membership meeting of WECC, as described in Section 5.3.

#### **3.3 Applicable Regulatory Authority.**

The FERC or any state or provincial government agency with jurisdiction to regulate or directly affect the transmission of electricity within the Western Interconnection.

#### **3.4 Backstop Authority.**



- The ability, obligation, or responsibility of WECC to address an issue when the WECC Board determines that a Local Regional Entity(ies) holding Primary Authority has not resolved an issue, has created incompatible resolutions or has not acted. In each case where these Bylaws authorize WECC to exercise Backstop Authority, the provisions that authorize Backstop Authority will also specify the conditions necessary to trigger Backstop Authority and the actions that fall within WECC's exercise of Backstop Authority.
- 3.5 Balancing Authority.**  
The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.
- 3.6 Ballot Body.**  
The Ballot Body consists of WECC members and non-members that have been determined eligible for the voting sectors described in the Reliability Standards Development Procedures and may, therefore, vote on Regional Criteria and Regional Reliability Standards.
- 3.7 Board of Directors (Board).**  
WECC Board of Directors, collectively, as described in Section 6.
- 3.8 Class.**  
A grouping of Members described in Sections 4.2.1 through 4.2.7 and 4.3.
- 3.9 Commercial Practices.**  
The products and practices involved in trading electricity. The term "Commercial Practices" only refers to an interaction among market entities that does not affect or require assistance from Grid Operating Entities that have grid reliability responsibilities.
- 3.10 Compliance Hearing Body.**  
The hearing body used for the purpose of providing a balanced compliance panel to conduct hearings for the resolution of disputes concerning compliance with or enforcement of Reliability Standards that may arise between WECC (acting as Compliance Enforcement Authority for the Western Interconnection) and a Registered Entity.
- 3.11 Delegation Agreement.**  
An agreement between the ERO and WECC pursuant to Section 215 of the Federal Power Act by which the ERO delegates to WECC designated powers, rights and responsibilities regarding the administration within the Western Interconnection of electric Reliability Standards adopted or approved by the ERO and the FERC.
- 3.12 Director.**  
An individual member of the WECC's Board of Directors.

- 3.13 Electric Line of Business.**  
The generation, transmission, distribution, or trading of electricity or the provision of related energy services in the Western Interconnection.
- 3.14 Electric Reliability Organization (ERO).**  
The organization certified by FERC under 18 C.F.R. §39.3, the purpose of which is to establish and enforce Reliability Standards for the Bulk-Electric System in the United States, subject to FERC review.
- 3.15 Entity.**  
Any individual, person, corporation, partnership, association, governmental body or organization of any kind.
- 3.16 FERC.**  
The Federal Energy Regulatory Commission or any successor.
- 3.17 Grid Operating Entity.**  
Any operating entity, such as a Balancing Authority, that is certified pursuant to Section 2.1.5 of these Bylaws to be responsible for reliable operation of a portion of the Western Interconnection.
- 3.18 International Reliability Agreement.**  
An agreement between WECC and any appropriate Canadian or Mexican authority related to WECC's powers, rights and responsibilities regarding the administration of electric reliability standards applicable within such authority's geographic area of the Western Interconnection.
- 3.19 Local Regional Entity.**  
A regional transmission organization or some other formally or informally constituted regional organization or group within the Western Interconnection, including but not limited to a Balancing Authority, a group of Balancing Authorities acting in concert, or a group of Entities that own or operate Transmission Facilities acting in concert. These Local Regional Entity boundaries can be reevaluated or modified over time.
- 3.20 Market Interface.**  
Market Interface involves all interactions among market entities and Grid Operating Entities related to transmission service and physical delivery.
- 3.21 Material External Impacts (MEI).**  
Significant effects on another Local Regional Entity or market within the Western Interconnection but outside of the Local Regional Entity or market adopting a policy, standard, practice or procedure, or implementing an action.
- 3.22 Member.**

Any entity that has applied and been accepted for membership in WECC and is current in the payment of dues.

**3.23 Participating Stakeholder.**

Any person or entity that is not a WECC Member, but is an interested stakeholder and has applied and been granted, pursuant to Section 8.7.2, the participation and voting rights set forth in Section 8.7.1.

**3.24 Primary Authority.**

The ability, obligation, or responsibility of an entity to address an issue in the first instance.

**3.25 Regional Criteria**

The term Regional Criteria shall have the definition set forth in the NERC Rules of Procedure as may be amended from time to time.

**3.26 Regional Entity (RE).**

An entity having enforcement authority pursuant to 18 C.F.R. §39.8.

**3.27 Registered Entity.**

An owner, operator, or user of the Bulk-Electric System or the entities registered as their delegates for the purpose of compliance in the North American Electric Reliability Corporation Compliance Registry or similar Entity operating in Canada or Mexico and which could be registered in the Compliance Registry if it operated in the United States.

**3.28 Reliability Management System**

The contracts, separate from these Bylaws, by which Members and other parties agree to certain procedures and sanctions intended to enforce specified Reliability Practices to maintain reliable electric service throughout the Western Interconnection.

**3.29 Reliability Standard.**

A requirement approved by FERC under section 215 of the Federal Power Act, to provide for reliable operation of the Bulk-Electric System in the United States. Regional Reliability Standards are specific to the Western Interconnection and shall be established using the WECC Standards Development Procedures.

**3.30 Reliability Standards Development Procedures.**

The process for developing and approving WECC Regional Reliability Standards (or its successor) attached as Exhibit C to the Delegation Agreement between WECC and North American Electric Reliability Corporation.

**3.31 Transmission Facilities.**

Those facilities that are defined as “transmission facilities” by FERC for purposes of the open access requirements of Section 210 and 211 of the Federal Power Act or any facilities which would be so defined if the Member were subject to FERC jurisdiction.

### **3.32 Western Interconnection.**

The geographic area containing the synchronously operated electric transmission grid in the western part of North America, which includes in the United States Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington, as well as parts of Montana, Nebraska, New Mexico, South Dakota, Texas, Wyoming, and Colorado; parts of the Canadian Provinces of British Columbia and Alberta; and Baja California Norte, Mexico.

## **4. Members and Membership.**

### **4.1 Voluntary Membership.**

Except as otherwise may be required by applicable authority, membership in WECC is voluntary. A Member may withdraw upon giving the Secretary thirty (30) days' advance written notice. Notwithstanding such notice of withdrawal, all contracts, FERC orders, unpaid Member costs, and decisions of arbitration in effect or pending as of the date of the written notice of withdrawal will be followed through to completion, pursuant to these Bylaws, by the withdrawing Member; however. Nothing herein will relieve any Member withdrawing from WECC from any obligation it may have under applicable law including, but not limited to, Section 215 of the Federal Power Act. A Member that withdraws is obligated to pay any unpaid dues owed through the remainder of the fiscal year in which its withdrawal becomes effective.

### **4.2 Eligibility for Membership.**

Subject to Section 4.5, any Entity that is an interested stakeholder or that meets the criteria for membership in the membership classes described in Sections 4.2.1 through 4.2.5 may be a Member of WECC:

- 4.2.1 Class 1. Electric Line of Business Entities owning, controlling or operating more than 1000 circuit miles of transmission lines of 115 kV and higher voltages within the Western Interconnection.
- 4.2.2 Class 2. Electric Line of Business Entities owning, controlling or operating transmission or distribution lines, but not more than 1,000 circuit miles of transmission lines of 115 kV or greater, within the Western Interconnection.
- 4.2.3 Class 3. Electric Line of Business Entities doing business in the Western Interconnection that do not own, control or operate transmission or distribution lines in the Western Interconnection, including power marketers, independent power producers, load serving entities, any other Entities whose primary business is the provision of energy services, and those Entities that are not eligible for membership in the other Member Classes and who have a substantial interest in the purposes of WECC.
- 4.2.4 Class 4. End users of significant amounts of electricity in the Western Interconnection, including industrial, agricultural, commercial and retail entities as well as organizations in the Western Interconnection that represent the interests

of a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public or the environment.

4.2.5 Class 5. Representatives of states and provinces in the Western Interconnection, provided that such representatives will have policy or regulatory roles and do not represent state or provincial agencies and departments whose function involves significant direct participation in the market as end users or in Electric Line of Business activities.

4.2.6 Sub-Class Organization. A Member Class may subdivide in up to three subclasses based on a majority desire within that class for purposes of electing Member Advisory Committee representation.

#### **4.3 Designation of Membership Class.**

A Member of WECC may not belong to more than one Class. An applicant for membership will designate the Class for which it qualifies based upon the criteria for membership set forth in Section 4.2, however any Member owning, controlling or operating Transmission Facilities or distribution facilities must belong to Class 1 or 2 unless the Board grants the Member's petition for a change in Member Class pursuant to the provisions of Section 4.4 of these Bylaws. Applications for membership will be submitted to WECC. WECC staff will review the application to verify eligibility for membership and Member Class designation. An applicant whose application has been rejected or any Member who disputes the WECC staff's determination regarding the appropriate Member Class designation may request review by the Governance Committee. If the applicant or any Member disagrees with the Governance Committee's decision, the applicant or such Member may appeal this decision to the Board.

#### **4.4 Changes in Membership Class.**

Notwithstanding any other provision of these Bylaws, upon a petition from a Member, the WECC staff (subject to review by the Governance Committee and appeal to the Board) may allow the Member to change Member Class if the interest of the Member is more closely aligned with the proposed Class than the Member's current Class.

#### **4.5 Affiliates and Distinct Business Entities.**

An Affiliate of a Member that satisfies the membership qualifications may also become a Member provided:

4.5.1 The Affiliate applying for membership and the Member disclose to the Chief Executive Officer all Affiliates that are WECC Members and the Classes to which the Affiliates belong. Every Member will promptly notify the Chief Executive Officer whenever it becomes, or ceases to be, an Affiliate of any other Member.

4.5.2 Affiliates may be members of the same Class; provided, however, a group of Affiliates within a single Class may only have one vote in any WECC forum. Except as set forth in Section 8.7.6, a group of Affiliates within a single Class may, by providing at least three (3) business days advance written notice to the

Chief Executive Officer, split their single vote equally amongst all Affiliates or designate a single Affiliate as the group's voting Member.

- 4.5.3 For good cause shown and with the express approval of the Board, a company or organization containing functionally distinct entities within it may obtain separate memberships for such entities; provided that such entities will be considered Affiliates.
- 4.5.4 The Board may adopt a policy regarding whether Members may share the benefits of membership (including the right to receive information that is only available to Members) with a non-member Affiliate.

#### **4.6 Rights and Obligations of Membership.**

Except as otherwise provided in these Bylaws or other applicable authority, Members of WECC have the following general rights and obligations:

- 4.6.1 The right to elect and remove Directors as described in Section 6.5;
- 4.6.2 The right to amend these Bylaws, and to review and rescind any Board amendment of these Bylaws, in accordance with Section 12;
- 4.6.3 The right to receive appropriate meeting notices, as well as reports and information produced by WECC;
- 4.6.4 The right to attend, participate and vote in all WECC Member meetings and the right to attend Board meetings (other than closed sessions of Board meetings) and to comment upon all matters considered in such meetings;
- 4.6.5 The right to be a member of, attend meetings of, and to introduce motions, debate and to vote in the deliberations of WECC committees, subject to the limitations of these Bylaws and such other reasonable limitations as the Board may adopt from time to time;
- 4.6.6 The right to invoke the dispute resolution provisions of these Bylaws;
- 4.6.7 The right to petition the Board to take any action consistent with applicable law (including Section 215 of the Federal Power Act and implementing orders and regulations), these Bylaws and the articles of incorporation and to have such petition voted upon in a reasonable and timely manner;
- 4.6.8 The obligation to abide by these Bylaws, decisions resulting from the dispute resolution process, and all standards or decisions of WECC, subject to the exceptions set forth in Section 4.7 and the enforcement provisions of Section 4.8.

- 4.6.9 The obligation to notify the Chief Executive Officer promptly of changes with respect to Affiliates as provided in Section 4.5.1 of these Bylaws; and
- 4.6.10 The obligation to pay in a timely manner the membership dues pursuant to Section 11.
- 4.6.11 The obligation to provide system data that the Board has determined is necessary for WECC functions and does not impose an undue burden on the Members; provided, however, that the Board shall adopt appropriate limitations on this obligation or procedures that protect and avoid unnecessary collection of confidential, privileged, trade secret, cybersecurity or critical energy infrastructure information or other information that the Board determines merits such protection consistent with applicable law.
- 4.6.12 The obligation to support surfacing minority and majority opinions or views within their Member Class, along with supporting rationale to enable the Board of Directors to make decisions based on informed judgment aligned with WECC's vision, mission and these Bylaws.

#### **4.7 Limitations on Member Obligations.**

- 4.7.1 The obligation of Members pursuant to Section 4.6.8 will not require any Member to take any action which the Member in good faith determines: 1) would exceed the physical capabilities of the Member's electric system (or any part of another's electric system that the Member has the legal right to cause to comply with a WECC action governed by Section 4.6.8); 2) would create serious and immediate risks to public health or safety (provided, however, that the shedding of load shall not in and of itself be deemed a serious and immediate risk to public health and safety for the purpose of this section); 3) would create an immediate risk of serious damage to facilities or equipment within its electric system or cause it to operate any of its electric facilities or equipment in an unsafe manner; 4) would cause the Member to violate or improperly implement an applicable law, regulation, rule, order, FERC license provision or other legal obligation; or 5) would conflict with any non-power requirement applicable to the Member (including without limitation any obligation under environmental laws, regulations, court and administrative decisions or biological opinions).
- 4.7.2 Each Member shall retain sole control of its facilities and the use thereof, and a Member shall not be required to construct or dedicate facilities for the benefit of any other Member, or be required to take action, or refrain from action, as may be deemed necessary to maintain reliable service to its own customers and/or to fulfill its obligations to third parties; provided, that a Member shall comply with duly-adopted reliability standards applicable to its system and shall comply with any directives under existing security coordination agreements. Nothing in these Bylaws is intended to preclude application of Section 210 or 211 of the Federal Power Act. The above limitations shall not be construed as altering a Member's



obligation to comply with applicable Reliability Standards or enforcement orders, or any other obligation arising under 18 C.F.R. Part 39.

#### **4.8 Compliance and Enforcement.**

The power of WECC to enforce Member obligations other than compliance with Reliability Standards and other obligations arising under 18 C.F.R. Part 39 and applicable Canadian and Mexican regulatory requirements is limited to suspension or termination of membership as set forth in this Section; provided, however, that: 1) nothing in this Section will limit the power of Members to agree to additional enforcement provisions in separate contracts (such as contracts pursuant to the Reliability Management System); 2) nothing in this Section will limit the power of WECC to propose solutions regarding Market Interface issues to any Applicable Regulatory Authority as described in Section 2.1.10; and 3) nothing in this Section will limit WECC's delegated authority under Section 215 of the Federal Power Act and 18 C.F.R. Part 39 and applicable Canadian and Mexican regulatory requirements to enforce reliability standards and perform other delegated or contractual functions within the Western Interconnection. The Board may suspend or, to the extent consistent with applicable law, terminate the membership of any Member for a material failure to meet any obligation of membership set forth in these Bylaws, including, but not limited to: 1) non-payment of dues sixty (60) days after the dues become delinquent; 2) intentionally or repeatedly violating any WECC Bylaw; 3) materially breaching or intentionally violating any FERC order or arbitration decision issued pursuant to these Bylaws; 4) willfully obstructing any lawful purpose or activity of WECC; or 5) remaining inactive as described in Section 5.9. The Board will give the affected Member not less than twenty-one (21) days prior written notice of any proposed suspension or termination, which will include the specific basis for the proposed action and, if applicable, instructions on curing the problem. Prior to terminating a membership, the Board will consider any information provided by the Member in response to the notice described herein.

4.8.1 Suspension. The suspension of a Member will not affect the Member's rights and obligations other than that the Member will not be entitled to vote at any meeting of the Members, Classes, subclasses, or any committee until the suspension is removed except that a suspended Member may participate in the WECC proposed Reliability Standards Development Procedure.

4.8.2 Termination. The termination of membership will have the same effect, and be subject to the same continuing obligations, as such Member's withdrawal pursuant to Section 4.1, except that it will be effective as of the issuance date of the notice provided pursuant to Section 4.8.

#### **4.9 WECC Structure and Governance Review.**

At least each five years, the Board of Directors will conduct a thorough assessment of whether WECC is fulfilling its purposes in a manner that is consistent with: 1) the provisions of Section 2.2 of these Bylaws; and 2) the then-current state and the expected future evolution of the electric power industry within the Western Interconnection. Unless determined otherwise by a majority vote of both the Board of Directors and the Members Advisory Committee (MAC), the initial review required under this Section 4.9 will



commence after the completion of the first full year of operation under these Bylaws as amended in June 2013 and will be done collaboratively with the MAC and to the extent practical, will be coordinated with any similar structure and governance reviews being conducted by Peak Reliability. In particular, the Board will focus on whether the standards, obligations, processes, and decisions WECC imposes on its Members are timely, fair, effective, and reasonable in view of the commercial, legal, regulatory, and economic needs and objectives of the affected Members. The Board will evaluate WECC's Board composition, Member Class structure, committee structure and activities, and staff responsibilities as they relate to the foregoing considerations. The assessment required by this Section 4.9 will be accompanied by Board recommendations for any changes the Board determines are warranted by the assessment. The assessment and recommendations prepared by the Board in accordance with this Section 4.9 will be submitted in writing to the Members at the first annual Member meeting held after they are completed.

## **5. Procedures for Member Decisions.**

### **5.1 Quorum and Alternative Voting.**

With the exception of voting on Regional Reliability Standards and Regional Criteria under the oversight of the WECC Standards Committee, members may conduct business and take votes only at duly noticed Member meetings. Members may not conduct any business of the membership as a whole at any meeting unless a quorum is first established.

5.1.1 Quorum. A majority of all Members, including a majority in at least three (3) Classes, will constitute a quorum for all meetings of the membership as a whole. A majority of the members of a Class or subclass will constitute a quorum for all Member Class or subclass meetings. Members participating through a designated alternative representative or through submission of an absentee ballot will be counted in determination of a quorum. Inactive Members, as defined in Section 5.9 of these Bylaws, will not be counted in determining a quorum at Member, Member Class or subclass meetings. A quorum, once established, will be deemed to continue for the balance of any Member, Member Class, or subclass meeting, except that no election of Directors may occur without a quorum being present. Members may designate an alternate representative or submit an absentee ballot in a form consistent with Section 5.1.2 for any Member, Member Class, or subclass meeting.

5.1.2 Alternate or Absentee Voting: In the event that a Member's designated voting representative cannot attend a meeting of the Membership or a Member Class meeting where Directors are being elected or amendments to these Bylaws are considered, a Member may designate an alternate voting Member representative, with two (2) days written notice to the Corporate Secretary, or a Member may cast an absentee ballot pursuant to the procedures established by the Corporate Secretary.

### **5.2 General Membership Meetings.**

All business of the Members acting as a whole will be conducted at meetings called by advance notice to all WECC Members provided in accordance with Section 5.5. Unless stated otherwise in these Bylaws, decisions at all meetings of the Members, Member Classes, or subclasses will be by simple majority vote of the Members present or otherwise represented in accordance with these Bylaws, with each Member having one vote, unless other Bylaw provisions provide for the allocation of the Member's vote. The Chair of the Board will preside over all Members acting-as-a-whole meetings.

**5.3 Annual Member Meetings.**

WECC will hold an Annual Meeting of all Members at a time and place determined by the Board. At the Annual Meeting, and at other times as provided for in these Bylaws, in addition to such other actions the Members may take, Member Classes will elect Directors for vacant director positions.

**5.4 Special Member Meetings.**

Members may hold special meetings whenever called by the Board. The Board will call special Member meetings whenever a majority of the Members of any Class request a special meeting or at such other times as it deems appropriate. The Chair of the Board will preside over all special Member meetings.

**5.5 Member Class and Subclass Meetings**

An individual WECC Member Class or subclass may hold a meeting for any purpose relevant to the interests of Class or subclass Members. Such meeting will be initiated by request by one or more Class or subclass Member(s), and agreement by at least fifty percent (50%) of Class or subclass Members.

**5.6 Notice of Member Meetings.**

5.6.1 Annual Meeting. The Chief Executive Officer will provide at least thirty (30) days' advance notice to all Members and the Board of the date, place and time of the Annual Meeting of the Members and an agenda of the business to be conducted at such meeting.

5.6.2 Other Member Meetings. The Chief Executive Officer will provide notice of regularly scheduled and special meetings of the Members to the Members not less than fifteen (15) days before the meeting if delivered by first-class mail, or not less than ten (10) days before the meeting if the notice is delivered personally, by telephone, by facsimile, electronic mail or express mail. If mailed, such notice will be deemed given when deposited in the United States mail, with first-class postage thereon prepaid, addressed to a Member. Such notice will state the date, time and place of the meeting and the meeting agenda.

5.6.3 Public and Website Notice. Public notice of each meeting of the Members will be placed on WECC's website at least ten (10) days before such meeting. In addition, the Chief Executive Officer will provide notice in the same manner and time as set forth in Section 5.6.2 of each meeting to each member of the public

who so requests and who has provided appropriate information regarding delivery of notice.

**5.7 Open Meetings.**

All Membership meetings are open to observation by the public.

**5.8 Policymaking Authority.**

The Board of Directors may adopt policies for the interpretation and implementation of the meeting and voting procedures established in this Section 5.

**5.9 Minimum Participation Requirement.**

In order to be counted for quorum purposes at a meeting of the membership as a whole, Class, or subclass meeting, a WECC Member must actively participate (by attending in person, sending an alternate, or voting absentee) in at least one WECC meeting (including meetings of the Board, committees and subcommittees) each year. If the Member does not meet this minimum participation requirement, the Member will be considered an “inactive” Member until its active status is restored by participation in at least one WECC meeting (including meetings of the Board, committees and subcommittees) by attending in person, sending an alternate, or voting absentee. An inactive Member will not be counted toward establishing a quorum of the membership as a whole, of a Class, or of a subclass. An applicant for WECC membership or a WECC Member may at any time self-designate itself an inactive Member. Such designation will be effective until the Member is reinstated to “active” status. If a Member does not participate for twenty four (24) consecutive months, the Member’s membership will be terminated. If a Member’s membership is so terminated, reapplication for membership may be made at any subsequent time.

**6. Governance.**

**6.1 Board of Directors.**

Subject to those matters expressly requiring approval of the Membership, a Board of Directors elected by the Members will govern WECC. The Board of Directors will elect its own Chair and Vice-Chair from those individuals serving as Directors.

**6.2 Composition of the Board and Board Member Qualifications.**

6.2.1 The Board of Directors shall consist of nine (9) Directors. At all times, subject to temporary vacancies, the Board of Directors shall include at least three directors who have at least ten years of experience in the utility industry, preferably in the Western Interconnection, including at least one director who has transmission operations experience, at least one director who has transmission planning experience, and at least one director who has generation operations experience. At any time where the membership of the Member Advisory Committee (MAC) is modified, as may be provided in other provisions of these bylaws, to include representation for Entities of the two Canadian Provinces of British Columbia and Alberta and the Mexican State of Baja California, at least one Director, elected

subsequent to such MAC representation, shall have international experience corresponding to such geographic area(s) and/or representation in the MAC.

- 6.2.2 The remaining members of the Board of Directors shall be selected in an effort to ensure diversity of background and experience. Desirable categories of experience may include: regulatory or legal; accounting, finance or economics; environmental; end-user advocacy; information technology; compliance or standards; public sector; and international.
  - 6.2.2.1 Transmission operations experience shall preferably include experience in control center operations at the senior management or officer level.
  - 6.2.2.2 Transmission planning experience shall preferably include experience in modeling and/or planning transmission facilities, including economic and reliability modeling at the senior management or officer level.
  - 6.2.2.3 Generation operations experience shall preferably include experience in development or operation of generation facilities, including economic and reliability modeling at the senior management or officer level.
  - 6.2.2.4 Regulatory or legal experience shall preferably include at least one of the following types of experience: state, provincial or federal industry regulation; significant litigation experience ideally at the appellate level; evaluation of complex legal arguments; and advising clients with respect to settlements.
  - 6.2.2.5 Accounting, finance or economic experience shall preferably include experience as a Chief Financial Officer, a Chief Account Officer, a Corporate Risk Officer, a Certified Public Accountant, or the equivalent thereof.
  - 6.2.2.6 Environmental experience shall preferably include experience advocating environmental interests before local, state or federal agencies or boards, and/or leadership experience in representing environmental interests in relation to energy issues.
  - 6.2.2.7 End-user advocacy experience shall preferably include experience advocating end-user economic interests before local, state or federal ratemaking agencies or boards.
  - 6.2.2.8 Information technology experience shall preferably include experience as a senior level manager responsible for integrating information technology services with organizational needs in areas such as capacity planning, budget and finance, acquisition and deployment, operations, change management, application development, trade ally relationships, user support, data quality, security and similar areas.

- 6.2.2.9 Compliance or standards experience shall preferably include experience as a senior level officer or manager for corporate compliance with internally and/or externally imposed requirements, rules or standards.
- 6.2.2.10 Public sector experience shall preferably include experience representing the public interests with respect to energy issues.
- 6.2.2.11 International experience shall preferably include experience as described in the previously listed experience categories, but in the Canadian provinces of British Columbia or Alberta, or the Mexican state of Baja California.
- 6.2.3 Director Affiliation Restrictions. A Director may not be a full time employee of a Registered Entity. Nor may a Director be affiliated with any Member or Registered Entity operating in the Western Interconnection, nor a Director of an entity performing the function of Reliability Coordinator in the Western Interconnection.
- 6.2.3.1 For the purposes of this section, “affiliated” shall mean (1) an employee of, (2) a contractor for, (3) an employee of a contractor for, or (4) an equity owner of Registered Entity or Member. For purposes of determining whether a Director is “affiliated” the term “Director” shall include a spouse and/or minor child of the Director.
- 6.2.3.2 A Director with an equity interest in private or publicly traded companies that are end-users of electricity in the Western Interconnection but are not otherwise “affiliated” pursuant to the restrictions set forth in Section 6.2.2 shall not be considered to be “affiliated”.
- 6.2.3.3 A Director with an equity ownership in a broadly diversified mutual fund which may from time to time include interests in one of the types of organizations described in Section 6.2.2, shall “not be considered to be “affiliated, provided that such equity interest cannot confer a controlling interest in a Member or Registered Entity within the Western Interconnection.
- 6.2.3.4 A Director receiving post-employment compensation, which compensation is not indexed to the success of the disbursing entity shall not be considered “affiliated”.
- 6.2.3.5 A Director shall not be considered “affiliated” solely by having a contractual relationship with a state government that has one or more

agencies that are Members, provided that the Director cannot be affiliated with the Member agency or agencies.

6.2.3.6 A Director shall not be considered “affiliated” for being a residential or small business end-user of electricity or for being affiliated with, a member of, or a contributor to an organization that represents a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public interests or the environment, but a Director shall be considered “affiliated” if the Director is an employee of, or serves as a director, trustee, or officer or in any other policy-setting capacity with respect to any such organization.

6.2.3.7 The affiliation restrictions set forth in this Section are not all encompassing. Candidates and Board members are expected to disclose all known potential financial or relationship conflicts, including any known relationships between companies they have affiliation with and/or entities described in Section 6.2.2. Furthermore, any Nominating Committee will be expected to investigate and evaluate all potential conflicts, whether financial or otherwise.

6.2.4 In addition, the Board may provide for the Chief Executive Officer (“CEO”) of WECC to be a voting, additional tenth, member of the Board through the inclusion of such a provision in the resolution the Board adopts appointing WECC’s CEO. Such provision shall not permit the CEO to be a member of a Board committee or to cast either a tie-breaking vote or a vote that creates a tie. The CEO may not serve as the Chair or Vice-Chair of the Board.

### **6.3 Term of Office.**

Directors will hold office for staggered terms of three (3) years, three Directors’ terms ending each year. Each three (3) year term shall commence upon the adjournment of the portion of the Annual Member Meeting provided for in Section 5.3, in which all Members are counted for purposes of determining a quorum. Similarly, the three year terms of outgoing Directors shall end upon the adjournment of that portion of the Annual Member Meeting in which all Members are counted for purposes of determining a quorum, whether that results in a longer or shorter term than exactly three years.

### **6.4 Nomination, Selection and Compensation of Directors.**

6.4.1 Nominating Committee. Candidates for a Director position shall be nominated by a Nominating Committee. The Nominating Committee shall consist of seven members. Three members shall be Directors, not standing for re-election, designated by the Board Chair. The remaining four Nominating Committee members shall be designated by the Member Advisory Committee and come from individuals serving on the Member Advisory Committee, with two (2) members being from Classes 1, 2, and/or 3, and two (2) members being from Classes 4 and/or 5.



6.4.1.1 If the Member Advisory Committee does not designate MAC members to serve on the Nominating Committee within 30 days of being notified of the Board Chair's designation of the three Directors to serve on the Nominating Committee, the Board Chair may designate MAC members to serve.

6.4.1.2 A Nominating Committee shall be formed each year not less than 180 days prior to the Annual Meeting. A Nominating Committee will continue to function until a replacement Nominating Committee is formed, but may not continue for a period longer than twelve (12) months from its creation, provided however, that the Board, by resolution, may authorize a Nominating Committee to function beyond twelve (12) months as the Board may determine is necessary.

#### 6.4.2 Director Candidate Nominations.

6.4.2.1 The Nominating Committee shall develop candidate pools and make candidate nominations to the Members. The Nominating Committee may consider any qualified applicant in developing the candidate pool, and may identify applicants through the following process: (1) selecting and utilizing an independent search firm to provide the Nominating Committee with a list of qualified applicants for each Director position subject to election; (2) consider an incumbent Director who is willing to stand for reelection, including a review of such Director's tenure on the Board of Directors; (3) consider external nominations.

6.4.2.2 External parties, including but not limited to Members and Western Interconnection stakeholders, may recommend candidates (self-recommendations and third party recommendations) to the Nominating Committee for consideration, by submitting the following: the candidate's resume, a summary of the candidate's relevant experience, a disclosure statement from the candidate, and a letter of interest from the candidate. All recommendations from external parties must be submitted to the Nominating Committee within sufficient time for the Nominating Committee to evaluate the candidate prior to the notification required in Section 6.4.2.5.

6.4.2.3 The Nominating Committee shall review the qualifications of the potential candidates and put forth one nominee for each Director position up for election.

6.4.2.4 Five (5) affirmative votes of the Nominating Committee shall be necessary to put forth a nominee to the Members.

6.4.2.5 At least sixty (60) days in advance of the Annual Meeting, the Nominating Committee shall notify the Board Chair whether or not it has finalized all Director nominations. If the Committee fails to put forth a nomination for an open position, then the Board Chair may form a new Nominating Committee with different Board and Member Advisory Committee members, who shall be tasked with developing any remaining nominations for open Director positions.

6.4.2.6 Each nominee, put forth by the Nominating Committee, shall be presented for separate election by the Members.

6.4.3 Director Elections. Members will vote for each vacant Director position separately. A candidate will be elected to the Board upon majority vote of the Members as a whole in addition to a majority of the Classes (three of the five) having a majority vote from the Members of the individual Class.

6.4.4 Should a candidate fail to receive the required vote of the Members or Member Classes, the Board may:

6.4.4.1 conduct a new election of an alternate candidate put forward by the Nominating Committee, if any, or the Board may ask the Chair to establish a new Nominating Committee to recommence the nomination and election process. Where a candidate has not received the required vote of the Members and Member Classes, the director position shall remain vacant until a candidate is elected, except as provided in Section 6.7.2.

6.4.5 Annual Compensation of Directors. Every two years, or sooner if, in the discretion of the CEO, a new survey is required, the CEO shall contract with an appropriate firm to conduct a national compensation survey, which shall provide an independent review of the compensation paid independent directors. The latest survey so procured shall be used by the Nominating Committee to make an annual recommendation for the compensation of Directors for the following year. Any such recommendation shall require five (5) affirmative votes of Nominating Committee members. This recommendation shall be presented to the MAC no later than one hundred fifty (150) days prior to the Annual Meeting. The MAC shall set the compensation for the Directors at least one hundred and twenty (120) days prior to the Annual Meeting. When making this decision, the MAC shall consider the recommendation of the Nominating Committee and any other material relevant to setting Director compensation. If the Nominating Committee is unable to reach the five (5) vote majority necessary to make a compensation recommendation, the MAC shall make no changes to the compensation paid Directors for the following year.

## **6.5 Removal of Directors.**



The Members or the Board may remove a Director before completion of the Director's term of office pursuant to the following provisions.

6.5.1 Removal by the Members. Directors may be removed only for gross negligence, violation of local, state, provincial, or federal laws, gross misconduct, or failure to meet the fiduciary obligations of Directors.

6.5.1.1 Removal of a Director will be by a vote of a majority of all the WECC Members, not just those Members voting, in addition to a majority of the Classes (three of the five) having a majority vote from the Members of the individual Class. Removal may only take place at a meeting called for that purpose by notice provided in accordance with the notice requirements for member meetings. A vote, by all Members, to consider removal of a Director will occur based upon a petition, for such an all-Member vote, supported by twenty percent (20%), each, of the Members of three of the five Member Classes.

6.5.2 Removal by the Board. The Board may remove any Director for gross negligence, violation of local, state, provincial, or federal laws, gross misconduct, or failure to meet the fiduciary obligations of Directors. Such removal will only occur upon the affirmative vote of not less than six (6) Directors.

## **6.6 Resignation.**

Any Director may resign from their position at any time by written notice to the Board by delivery to the Chair. The acceptance of a resignation will not be required to make it effective.

## **6.7 Procedures for Filling Vacant Director Positions.**

6.7.1 Director Vacancies. If the position of any Director becomes vacant prior to its normal term expiration, the remaining Directors may charge the Nominating Committee with selecting a successor immediately. The Nominating Committee will follow the requirements set out in Sections 6.2.1 and 6.2.2 in its selection of any successor Director. Alternatively, if less than one (1) year remains in the term of that Director, the remaining Directors may choose to leave the position vacant for the remainder of the term.

6.7.2 Holdover to Cure Procedural Vacancies. Whenever an incumbent Director is a candidate for a Director position and a vacancy would be created due to expiration of the Director's term, the Director may continue to serve, for up to an additional 12 months, until such time as an election of the Director's position can be conducted, provided the vacancy arises from a lack of quorum or other procedural inability to elect a candidate for the Director position.

6.7.3 Should the number of serving Directors fall below seven (7), the Board may appoint one or more individuals to serve as temporary Directors until such time as replacement Directors can be elected by the Members.

6.7.3.1 In appointing temporary Directors, the Board shall select individuals who meet the requirements of Section 6.2.

## **6.8 Duties of Directors.**

The Directors will have the following duties:

6.8.1 **Fiduciary Obligation to WECC:** All Directors, will have a fiduciary obligation to WECC consistent with the requirements for Directors of Utah non-profit corporations. Members of the Board will at all times act in conformance with such requirements, these Bylaws and the Standards of Conduct set forth in Appendix A.

6.8.2 **Preserve Non-Affiliated Status:** Throughout their terms, Directors will have a duty to avoid any affiliation that is inconsistent with the qualifications for Directors in Section 6.2.2 of these Bylaws. If a Director becomes aware of any intervening disqualification, he/she must either resign or eliminate the disqualification (e.g., dispose of securities) within sixty (60) days.

## **6.9 Powers of Directors.**

The management of all the property and affairs of WECC will be vested in the Board of Directors. The Board will hold annual elections to select a Board Chair and to fill any other Board officer positions that may be created by the Board or required by applicable law. The Board may exercise all the powers of WECC and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers and the management of WECC) as are consistent with these Bylaws and the Articles of Incorporation. The Board will give serious consideration to the Member Advisory Committee's and the Western Interconnection Regional Advisory Board's (or any successor) recommendations. The Board will respond to Member Advisory Committee and Western Interconnection Regional Advisory Board recommendations through a means which the Board determines appropriate.

## **6.10 Delegation of Board Authority.**

The Board may delegate to the Chief Executive Officer or to any Board Committee formed pursuant to Section 7.7.3 any or all of its powers and authority except: 1) any power which it may not delegate pursuant to applicable Utah law; 2) the power to adopt any reliability standard; 3) the power to determine when to exercise the Backstop Authority of WECC; 4) the power to approve budgets; 5) the power to form committees; 6) the power to amend the Bylaws; 7) the power to elect the Chair and other officers of the Board; and 8) the power to hire, fire or set the terms of employment of the Chief Executive Officer. The Board may also delegate to any Member committee the power to make specific decisions, subject to the right of any Member to appeal any of such decisions to the Board within 30 days of the committee vote on the decision by writing a letter to the Chief Executive Officer that describes in reasonable detail the grounds for appeal, and requests that the appeal be considered by the Board at its next regularly scheduled meeting, subject to applicable notice requirements. Delegation will be by express decision and will require the affirmative vote of not less than a majority of the

Directors. Any Director may call for a vote to rescind such delegation at any time and such delegation will be rescinded if a majority of the Directors vote to do so.

6.10.1 Notice to Members. Within seven (7) days of any decision delegated pursuant to Section 6.10, except for routine decisions of the Chief Executive Officer, Members will be notified of the decision by electronic mail, posting on the WECC website and any other means determined appropriate by the Board. Routine decisions of the Chief Executive Officer will be noticed in periodic reports to the Board and Members as determined by the Board, which will be sent to Members by electronic mail and posted on the WECC website.

6.10.2 Board Review of Delegated Decisions. Decisions delegated pursuant to Section 6.10 will be reviewed by the Board at the request of any Director, provided such request is lodged with the Secretary within thirty (30) days of the notice. Whenever it determines that a matter requires an urgent decision, the Board may shorten the deadline for requests for review, provided that: 1) the notice and opportunity for review will be reasonable under the circumstances; and 2) notices to Members will always contain clear notification of the procedures and deadlines for Board review. A request for review of a decision will stay the effect of the decision pending review unless the Board in making the delegation expressly determines otherwise.

## **7. Procedures for Board Decisions.**

### **7.1 Quorum.**

No business will be conducted by the Board unless at least five (5) Directors are present, or six (6) Directors if the CEO is counted to determine a Board quorum.

### **7.2 Majority Vote.**

A decision of the Board will require an affirmative vote of a majority of Directors present and not abstaining; provided that no decision of the Board shall be made with fewer than three (3) affirmative votes, or four (4) affirmative votes if the CEO is counted to determine a Board quorum. Directors may not vote by proxy or by absentee ballot, but Directors may participate in Board meetings by telephone as provided in Section 7.3 of these Bylaws.

### **7.3 Attendance at Board Meetings by Teleconference.**

Any or all of WECC's Directors may participate in any meeting of the Board by telephone conference or any other means of communication that enable all Directors participating in the meeting to simultaneously hear one another. Every Director participating in a meeting in the manner described in the preceding sentence will be deemed to be present in person at that meeting.

### **7.4 Board Action by Unanimous Consent.**

7.4.1 Action Without a Meeting. Unless WECC's Articles of Incorporation or applicable law provides otherwise, action required or permitted to be taken at a

meeting of the Board may be taken without a meeting through one or more written consents describing the action taken. Any Board action taken by written consent must be signed by all Directors in office at the time the action is taken. Such actions must be noticed to Members in accordance with Section 7.5 and Members must be given an opportunity to comment prior to the Board taking such actions through electronic mail, comments on the website or other appropriate means. The required notice of such meeting may generally describe the arrangements (rather than the place) for the holding of the meeting. All other provisions herein contained or referred to will apply to such meeting as though it were physically held at a single place. All Board actions by written consent must be filed with WECC's Board meeting minutes. Action taken under this Section is effective when the last Director signs the consent, unless the consent specifies an earlier or later effective date. Any action by written consent has the same effect as a meeting vote and may be described as such in any document.

- 7.4.2 Waiver of Procedures. For any specific action at any noticed meeting of the Board, and under exigent or unusual circumstances, the Board by unanimous vote of those present may waive any procedural requirement applicable to Board decision-making, including any requirement for notice of a specific potential action, except for the following: 1) the requirement for notice of the time and place of the meeting pursuant to Section 7.5; 2) the quorum and voting requirements of Sections 7.1 and 7.2; and 3) any non-procedural limitation on the power of the Board to make a decision, including, but not limited to, those restrictions in Sections 6.10 (limiting the power to delegate) and 12.1 (limiting the power to amend the Bylaws). Whenever such action is taken, a statement describing the action, the exigent or unusual circumstances, the specific procedure waived, the basis for the waiver and the votes of all Directors present shall be posted on the website and communicated in writing or by e-mail to all Members within five (5) days.

## **7.5 Notice of Board Meetings.**

- 7.5.1 Regular Meetings. Except as set forth in Section 7.5.2 regarding urgent business, all regular business of the Board will occur at the Board meetings, at least twenty-one (21) days' advance notice of which has been provided by the Chief Executive Officer to all Directors and all Members. Notice will include an agenda that will identify those matters on which a vote will be taken at the meeting. The foregoing requirement shall not preclude the Board from taking an action that is different from the specific proposed action identified in the agenda, as long as the relevant subject matter has been reasonably identified in the agenda. The Directors will establish a regular meeting schedule that will be made available to the Members. The schedule will include not less than two meetings of the Board annually.
- 7.5.2 Special Meetings. Whenever the Chair of the Board or any three (3) Directors find that there is urgent business requiring Board action before the next regular Board

meeting, a special meeting of the Board may be called. Such special meetings will be held upon as much written notice to each Board Member and all Members as is possible under the circumstances, which will not be less than three (3) days. However, this notice of special meetings may be waived if: 1) the waiver is by a writing signed by a quorum of Board members; and 2) as much notice of the meeting as practicable has been given to WECC Members via e-mail and posting on the WECC website.

- 7.5.3 Public and Website Notice. Public notice of each meeting of the Board will be placed on WECC's website at least ten (10) days before such meeting (or such lesser time as provided pursuant to Section 7.5.2). In addition, the Chief Executive Officer will provide notice of each meeting by first-class mail, facsimile or electronic mail to each member of the public who so requests and who has provided appropriate information regarding delivery of notice.

## **7.6 Open Meetings.**

Except as provided in Section 7.6.1, all regular and special meetings of the Board will be open to observation by any Member and any member of the public.

- 7.6.1 Closed Session. Notwithstanding the provisions of Section 7.6, upon an affirmative vote of two-thirds (2/3) of the Directors present, the Board may meet in closed session: 1) to consider the employment, evaluation of performance, or dismissal of an employee of WECC and to deliberate regarding decisions the Board may be called upon to make regarding the nomination, qualification, appointment, or removal of a member of the Board of Directors; 2) to discuss pending or proposed litigation and to receive confidential attorney-client communications from legal counsel; and 3) to receive and discuss any information that is privileged, trade secret, cybersecurity, critical energy infrastructure information (as defined by the FERC), protected from public disclosure by law or that the Board determines should be confidential in order to protect a legitimate public interest.

7.6.1.1 Attendance by an Affected Director. Closed sessions of the Board may not be attended by a Director under the following circumstances: 1) where the qualifications or performance of the Director or the Director's spouse or children are being discussed; 2) where the Director is employed by an entity that is or is likely to become a party to the litigation being discussed; and 3) where the Director or the Board determines that the Director would have a serious and substantial conflict of interest by becoming privy to confidential attorney-client or trade secret information that is to be presented to the Board in closed session.

7.6.1.2 Announcement of Closed Session. Before adjourning into closed session, the Chair of the Board will announce the purpose of the closed session in a manner that provides the public an understanding of the general subject matter to be discussed but which does not reveal sensitive or personal

information. The Board will not discuss additional items outside the scope of this description.

7.6.1.3 Confidentiality of Closed Session. All Directors and others present will maintain the confidentiality of discussions and decisions made in closed session. The Board will appoint a secretary for closed session to keep a minute book for the purpose of recording the subject matter discussed in closed session and any actions taken in closed session. After a closed session has ended, the Board Chair shall provide the public a general description of the business conducted during the closed session, without breaching the confidentiality of the information used in the session.

## **7.7 Board Committees.**

7.7.1 Governance Committee. The Chair will appoint a Governance Committee that shall: oversee implementation and amendment of these Bylaws and address such other issues pertinent to Governance as the Board may choose to delegate to it. The Chair will designate one of the appointed Directors to be the Chair of the Governance Committee.

7.7.2 Nominating Committee. Constituted as described in Section 6.4.1 of these Bylaws.

7.7.3 Other Board Committees. The Board may appoint such Board committees as it deems necessary from time to time to carry out its business affairs. In appointing such committees, the Board will specify their purpose, membership, voting, notice and meeting procedures and such other direction as the Board may deem appropriate. The Board may appoint one or more Members or other persons to participate in Board committees as full voting members or as non-voting advisory members.

7.7.4 Standards of Conduct for Board Committee Members. Members of Board committees shall comply with the Board Member Standards of Conduct set forth in Appendix A.

## **8. Member Committees.**

### **8.1 Purpose.**

WECC will have committees composed of its Members to advise and make recommendations to the Board. Such committees will include both standing committees required by these Bylaws and such other committees as the Board may choose to create.

### **8.2 Standing Committees.**

WECC will have the following standing committees:



- 8.2.1 Member Advisory Committee. This committee is comprised of Member representatives elected by the Member Classes, or subclasses, as set forth herein.
- 8.2.1.1 The committee shall advise the Board on any matters the Board requests the committee to evaluate or consider; and advise the Board on matters as the committee deems appropriate.
- 8.2.1.2 The committee's Chair or designee will attend the Board's meetings to provide advice, clarifications or respond to Directors' questions. The Board Chair and committee Chair shall develop guiding principles and procedures as necessary, to ensure open, effective, and efficient dialog between the MAC and Board. Such guiding principles and procedures may be amended by the Board and committee's Chairs.
- 8.2.2 WECC Standards Committee. This committee will oversee the process for responding to requests for Regional Reliability Standards and Regional Criteria in accordance with the Reliability Standards Development Procedures. The WECC Standards Committee is responsible for determining if a request for a Regional Reliability Standard or a Regional Criteria is within the scope of WECC's activities, and for overseeing the drafting, comment and voting process for a Regional Reliability Standard or Regional Criteria. The WECC Standards Committee shall also oversee the process for responding to requests for interpretations of Regional Reliability Standards and Regional Criteria. The WECC Standards Committee shall consist of one member from each of the WECC Standards Voting Sectors set forth in the Reliability Standard Development Procedures, and a member of the WECC Board who shall act as chair of this committee. The WECC Board shall approve a Charter for the WECC Standards Committee that describes the WECC Standards Committee membership selection process.
- 8.2.3 Planning Coordination Committee. This committee will advise and make recommendations to the Board on all matters within the jurisdiction of WECC pertaining to maintaining reliability through evaluating generation and load balance and the adequacy of the physical infrastructure of the interconnected Bulk Electric System within the Western Interconnection.
- 8.2.4 Operating Committee. This committee will advise and make recommendations to the Board on all matters within the jurisdiction of WECC pertaining to maintaining reliability through the operation and security of the interconnected Bulk Electric System in the Western Interconnection.
- 8.2.5 Market Interface Committee. This committee will advise and make recommendations to the Board on the development of consistent Market Interface practices and compatible commercial practices within the Western Interconnection. It will consider matters pertaining to the impact of WECC's reliability standards, practices, and procedures on the commercial electricity

market in the Western Interconnection, and facilitate analysis of the impact of electricity market practices on electric system reliability.

### **8.3 Other Committees.**

8.3.1 The Board may create such other committees as it may desire from time to time. The Board will specify the functions, duties and responsibilities of any such committee at the time of its creation. The Board will also specify the membership rules, quorum requirements, voting levels and meeting and notice requirements at the time of creation. Any changes in the membership rules, quorum requirements, or voting levels of a committee, once established by the Board, will require a seventy-five percent (75%) vote of the Board to alter. The specific function or sunset date for a committee will be designated by the Board at the time of the committee's creation. The committee will terminate its activities upon the completion of its function or the expiration of the date set by the Board.

### **8.4 [Repealed]**

### **8.5 Procedures for Member Advisory Committee Decision-Making.**

8.5.1 Member Advisory Committee (MAC). The committee shall be comprised of three representatives from each of the five (5) Member Classes, for a total of fifteen (15) members.

8.5.1.1 The Board, by resolution, may create up to three additional representative positions on the MAC, to include representation for Entities of the Canadian Provinces of British Columbia, and/or Alberta, and/or the Mexican State of Baja California. The Board resolution shall set forth the terms through which Canadian or Mexican representatives shall be selected and serve.

8.5.2 MAC Member Elections. At the Annual Members Meeting, each Member Class shall conduct elections to elect Class member representatives for the committee. As set forth herein, each Class may subdivide into up to three subclasses for purposes of electing a Class' MAC members.

8.5.2.1 Committee member terms. Each committee member will serve a three year term. Terms shall be staggered such that one of each Class' representative committee member's terms ends each year. Class committee members may have term limits as determined appropriate by the Class or subclass electing such committee member.

8.5.2.2 Subclasses. Each Class will determine the need for diversity within the Class (e.g., geographic, stakeholder issues, etc.) which may lead to the establishment of subclasses. A Class may subdivide into up to three



subclasses. Each Class shall determine to establish or discontinue its subclasses, if any, by majority vote of the members in the Class.

8.5.2.3 Committee member nominations and elections. Only members of each Class, or subclass, if applicable, may nominate and vote on candidates for election as a MAC member representative for their respective Class or subclass.

8.5.2.3.1 A Class or subclass candidate need not be a member of the Class or subclass, neither an employee of a Class or subclass member.

8.5.2.3.2 A quorum of a majority of the members of a Class or subclass must be present in order to elect a MAC member for the Class or subclass; election shall be by simple majority of votes cast.

8.5.2.3.3 Where there are more candidates for election than positions to fill, absentee ballots shall allow voters to order the candidates by order of preference so that their wishes may be honored in case a runoff is required. Absentee ballots shall be counted in the first ballot based on the top choice, or the top two or three choices if more than one seat is being filled. In any runoff election, absentee ballots shall be counted based on the highest preferences indicated for the candidates who remain in the runoff election.

8.5.2.3.4 Other nomination and election procedures, beyond those contained in these bylaws, may be proposed for a Class or subclass. Contingent upon their approval, by the General Counsel, for their submission to Members, they may be adopted for implementation by majority vote of the Member Class or subclass.

### 8.5.3 MAC Member Vacancy by Resignation or Removal

8.5.3.1 Resignation. At any time, any MAC member may resign from their position by providing written notice of resignation to the MAC Chair. Such notice shall be effective as of the date the notice is submitted to the MAC chair.

8.5.3.2 Removal. The MAC or the Member Class or subclass which elected a MAC member may remove the MAC member prior to completion of the Mac member's term of office as set forth herein:

8.5.3.2.1 Removal by the MAC. The MAC may remove any MAC member for gross negligence, gross misconduct, violation of local, state, provincial, or federal law, or gross failure to carry

out the duties of a MAC member. Such removal will only occur after the affirmative vote of at least two-thirds (2/3) of the MAC members.

8.5.3.2.2 Removal by the Electing Class or Subclass. The electing Member Class or subclass may remove any MAC member representing that respective Class or subclass. Such removal will occur after the affirmative vote of a majority of the Members of the electing Class or subclass.

8.5.3.3 Vacancy. Whenever a MAC vacancy occurs, the MAC Chair shall conduct a proper and effective election, allowing for a reasonable period to select candidates and to organize such an election.

8.5.3.3.1 Whenever a MAC vacancy occurs, the MAC Chair shall, as promptly as feasible, conduct an election consistent with these Bylaws for the Member Class or subclass from which the vacancy arose, allowing for a reasonable period to select candidates and to organize such an election.

8.5.3.3.2 Until an election can be held, the MAC Chair may appoint an interim MAC member to fill the vacancy as may be required to meet the MAC quorum requirements of 8.5.8. The appointee shall serve until an effective election can be held. Any interim appointment must come from Members of the same Class or subclass from which the vacancy arose.

8.5.4 MAC officers. At the Annual Meeting, after incoming MAC members have been duly elected by the Member Classes or subclasses, if applicable, the MAC will elect the MAC Chair and MAC Vice-Chair from the MAC members. The Chair and Vice-Chair must represent different Classes, and shall serve one year terms, measured from the Annual Meeting to the next Annual Meeting. In the event of the resignation or removal of the Chair or Vice-Chair, the MAC members shall, at their next regular or special meeting, whichever is sooner, elect a new MAC Chair or MAC Vice-Chair, respectively.

8.5.5 MAC Member Duties. All MAC members shall have a duty to represent the interests of their Member Class or subclass. All MAC members shall maintain regular contact with the members of their Member Class as issues are considered by the MAC, and shall make reasonable good faith efforts to present and discuss both majority and minority opinions from their Member Class on matters before the MAC.

8.5.6 Regular and Special Meetings.

- 8.5.6.1 Regular meetings. All regular business of the MAC shall occur at MAC meetings which are noticed pursuant to Section 8.5.7. The MAC shall meet in person not less than two times per year, including once in conjunction with the Annual Meeting. The MAC shall establish a regular meeting schedule, which will be made available to the Members and Directors electronically, and available to the public through posting on the WECC website.
- 8.5.6.2 Special Meetings. Whenever the MAC Chair finds, or upon request to the MAC Chair from any five (5) MAC Members, that there is urgent business requiring MAC consideration or action prior to the next regularly scheduled meeting, then a special meeting shall be called with notice given in accordance with Section 8.5.7.
- 8.5.7 Notice.
- 8.5.7.1 Regular Meetings. All regular meetings of the MAC shall require at least twenty-one (21) days written notice to the MAC members, the Directors, and the Members. Such notice shall specify the time and place of the meeting, and an agenda of the business to be conducted including those matters upon which a vote will be taken. Notice of regular MAC meetings shall be effective upon electronic distribution, and shall be posted to the WECC website within one (1) business day of electronic distribution.
- 8.5.7.2 Special Meetings. Any special meetings of the MAC shall require at least ten (10) days written notice to the MAC members, the Directors, and the Members. Such notice shall specify the time and place of the meeting, and an agenda of the business to be conducted, including those matters upon which a vote will be taken. Notice of special MAC meetings shall be effective upon electronic distribution, and shall be posted to the WECC website within one (1) business day of electronic distribution.
- 8.5.8 Quorum. No business shall be conducted by the MAC unless a majority of the MAC members is present, including at least one MAC member from each Member Class which elects MAC members (not including subclass designations).
- 8.5.9 Majority Vote. A decision of the MAC shall be upon a simple majority vote of committee members voting unless otherwise required in other bylaw provisions.
- 8.5.10 Remote Participation at MAC Meetings. Any or all of the MAC members may participate in any meeting of the MAC electronically or by telephone, or by any other means of communications which enables the MAC members to simultaneously hear one another. Every MAC member participating in a meeting in this manner will be deemed to be present in person at the meeting.

- 8.5.11 Reporting to the Board. The MAC Chair, or designee, shall provide a report to the Board at each Board meeting detailing the business carried out by the MAC, and advising the Board of MAC recommendations on matters as set forth in Section 8.2.1 herein. In the event that there are dissenting MAC member opinions regarding a matter on which the MAC is advising or providing recommendations to the Board, the MAC Chair, or designee, shall present dissenting opinions and rationales in conjunction with the respective MAC advice or recommendations.
- 8.5.12 Open Meetings. Except as provided in Section 8.5.13, all regular and special meetings of the MAC will be open to observation by any Member, Director, and/or any member of the public.
- 8.5.13 Closed Session. Notwithstanding the provisions of Section 8.5.12, after a quorum has been established at any MAC meeting and upon an affirmative vote of two-thirds (2/3) of the MAC members present, the MAC may close an open meeting and reconvene in closed session in the following instances: (1) to receive and/or discuss confidential attorney-client privileged information from WECC's counsel; or (2) to receive and discuss any other information which is privileged, confidential, proprietary, trade secret, or otherwise protected from public disclosure by law.
- 8.5.13.1 Attendance by an Affected MAC Member. Closed sessions of the MAC may not be attended by a MAC member under the following circumstances: (1) when the qualification or performance of the MAC member is being discussed; (2) when the MAC member is employed by an entity that is or is likely to become a party to the litigation or legal issue being discussed; or (3) when the MAC Chair determines that the MAC member would have a conflict of interest by becoming privy to the privileged or confidential information that is to be presented to or discussed by the MAC in closed session.
- 8.5.13.2 Attendance by Directors. Any member of the Board may attend a closed session of the MAC unless the topic considered by the MAC concerns the Director.
- 8.5.13.3 Announcement and Adjournment of Closed Session. Prior to adjourning to a closed session, the MAC Chair will announce the purpose of the closed session in a manner that provides the public an understanding of the general subject matter to be discussed, but which does not reveal privileged, confidential or otherwise sensitive personal information. The closed session then shall be limited in scope to the publicly stated purpose of the closed session. After the closed session has ended, the MAC Chair shall provide the public a general description of the business conducted during the closed session, without breaching the confidentiality of the information used in the session.

8.5.13.4 Confidentiality of Closed Session. All MAC members and any others present at a closed session shall maintain the confidentiality of the information, discussions, and decisions made in closed session. Unless otherwise required, all MAC members and closed session attendees shall execute an appropriate confidentiality agreement provided by WECC's General Counsel. The MAC Chair will appoint a secretary for the closed session to take minutes of the closed session, which shall be delivered to the WECC Corporate Secretary. Minutes of the closed session will be maintained confidential by the Corporate Secretary.

8.5.14 MAC Committees. The MAC may appoint such subcommittees and work groups as it deems necessary from time to time to carry out its business affairs. In appointing such subcommittees or work groups, the MAC will specify, in a charter, their purpose, membership, voting, notice and meeting procedures, and other such direction as the MAC deems appropriate. The MAC may appoint one or more MAC members or other persons to participate in MAC subcommittees or work groups as full voting members or as non-voting advisory members.

8.5.15 MAC meetings and activities will be self-funded by Members with respect to labor and travel expenses. However, WECC and WECC staff will provide facilitation and coordination support, including payment for the expenses of meeting facilities. A MAC member may seek reimbursement, from WECC, for reasonable and actual travel expenses arising from attendance at MAC meetings, consistent with WECC employee travel expense reimbursements, where such MAC member's travel expenses are not reimbursed by any Member or other source.

## **8.6 Procedures for Committees other than the Member Advisory Committee.**

8.6.1 Reports to Board of Directors. Action by a committee will be in the form of a recommendation for Board action except in those instances in which the Board has, by resolution, specifically delegated to a committee the power to take action subject to an appeal to the Board by any Member. The recommendation of a committee must be forwarded to the Board for its action along with any minority or dissenting reports filed with the committee Chair or Vice-Chair.

8.6.2 Subcommittees, Task Forces and Ad Hoc Groups. Any Board or member committee may create such subcommittees, task forces or other ad hoc groups ("subcommittee") as it deems appropriate to carry out the committee's responsibilities consistent with these Bylaws and the direction of the Board. The composition, responsibilities and procedures of such groups shall be specified by the committee as appropriate; provided, however that: 1) the committee may only delegate to such subcommittee responsibilities that are within the scope of the committee's responsibilities pursuant to these Bylaws and direction of the Board; and 2) the subcommittee may only make recommendations to the committee. A committee may create a subcommittee without prior approval of the Board;

provided, however, that the committee shall promptly inform the Board in writing and at the next Board meeting regarding the creation of the subcommittee. The notification to the Board shall include a charter for the subcommittee that describes how members of the subcommittee will be selected, the duties of the subcommittee, and whether the committee has established a sunset date for review of (1) the need for the subcommittee and (2) the charter of the subcommittee.

8.6.3 Committee Officers. The Board will appoint the Chair and Vice-Chair of each committee. The Committee Chair or Vice-Chair will preside over all meetings of the committee and will report recommendations of the committee to the Board of Directors. The Chair and Vice-Chair will be responsible for informing the Board regarding minority opinions and other information required by the Board along with overall committee recommendations. Whenever the committee elects to form a subcommittee to represent regions or address specific tasks, the Chair (or in the absence of the Chair, the Vice-Chair) will have the power to appoint the members of such subcommittee from both members of the committees and non-members. Upon resignation of the Committee Chair, the Vice Chair shall serve as Chair until the Board appoints a replacement. Upon resignation of the Vice Chair, the Chair may appoint a temporary Vice Chair to serve until the Board appoints a replacement. Upon resignation of both the Chair and Vice Chair, the Chair of the Board may appoint one or more temporary replacements to serve until the Board appoints permanent replacements.

8.6.4 Committee Membership. Except as provided in Sections 8.2.2 and 8.6.4.1, any Member of WECC may designate one representative as its committee member to any standing committee or other committee. The WECC Member will have one vote at any committee meeting through that committee member. Any number of other persons may attend a committee meeting, but such persons will have no right to vote without a prior designation of representation by a WECC Member..

8.6.4.1 Dual Representation for Functionally-Separated Members. A Member which has distinct and functionally-separated interests as both a transmission provider and a transmission customer may designate two representatives as committee members to any standing committee, one to represent each functionally separate interest. Each such committee member will have one vote. The privilege granted by this Section is subject to revocation by the Board on a case-by-case basis or generally whenever the Board finds, upon petition from any Member or its own motion, that such dual representation creates unfairness or imbalance within a committee.

8.6.5 Committee Voting and Classes.

8.6.5.1 Classes. For purposes of voting, committees, excluding the WECC Standards Committee and the Member Advisory Committee, will have three classes of membership:



8.6.5.1.1 Transmission Provider Members;

8.6.5.1.2 Transmission Customer Members; and

8.6.5.1.3 States and Provincial Members (Member Class 5).

8.6.5.2 Voting. Except as provided in Section 4.5.2, each committee member will have one vote. In order for a recommendation to be made to the Board, such recommendation must receive a simple majority vote of both: 1) committee members present and voting from the Transmission Provider Class; and 2) committee members present and voting from Transmission Customer Class. The Board will adopt voting and record-keeping procedures to ensure that committee voting is conducted consistent with these Bylaws. This requirement will also apply where decision making power has been delegated to a committee pursuant to Section 6.9.1.

8.6.5.2.1 State and Provincial Votes. The position of the state and provincial Class committee members must be recorded, but the failure of a proposed recommendation or decision to obtain a simple majority vote of the state and provincial committee members will not prevent the recommendation or decision from being posted for due process comment or sent to the Board of Directors.

8.6.6 Notice and Review of Committee Recommendations and Decisions (Due Process). Committee recommendations or decisions delegated to a committee pursuant to Section 6.9.1 will be subject to the due process provisions of this Section. Following a committee's development of a proposed recommendation or decision, the committee will post the proposed recommendation or decision on the WECC website for review and comment by other WECC Members, and other interested parties. The committee will provide all Members e-mail notification of the posting and will allow at least thirty (30) days for comment on the proposal. The committee will consider all such additional input before reaching its final recommendation or decision. If the committee's recommendation or decision changes significantly as a result of comment received, the committee will post the revised recommendation or decision on the website, provide e-mail notification to Members and provide no less than ten (10) days for additional comment before reaching its final recommendation or decision. Upon reaching its final recommendation or decision, the committee will forward it to the Board. Whenever it determines that a matter requires an urgent decision, the Board may shorten any time period set forth in this Section, provided that: 1) notice and opportunity for comment on recommendations or decisions will be reasonable under the circumstances; and 2) notices to Members will always contain clear notification of the procedures and deadlines for comment.

## **8.7 Procedures for Developing and Voting on Reliability Standards.**

- 8.7.1 Rights and Obligations of WECC Members and Participating Stakeholders. All WECC Members and Participating stakeholders are entitled to participate in the development of and to vote on Reliability Standards, Regional Criteria or revisions, subject to any applicable obligations, limitations and conditions set forth in these Bylaws, and in accordance with the WECC Reliability Standards Development Procedures.
- 8.7.1.1 Participation. The right to participate in Reliability Standards and Regional Criteria development and voting includes the right to request the development or revision of a Reliability Standard, the right to receive notice of, attend and participate in related WECC discussions, the right to review information relevant to a Reliability Standard or revision, the right to provide written comments on a proposed Reliability Standard, Regional Criteria, or revision, the right to participate in voting on a Reliability Standard, Regional Criteria, or revision and the right to file an appeal requesting review of any decision on a Reliability Standard, Regional Criteria, or revision.
- 8.7.2 Voting. The procedures and conditions for voting by WECC Members and Participating Stakeholders are set forth in the Reliability Standards Development Procedures.
- 8.7.3 Board Authority to Address Regulatory Directives. The Board shall have backstop authority to address regulatory directives as described in the Reliability Standards Development Procedures.
- 8.7.4 Participating Stakeholder Application Process. Any person or entity that is an interested stakeholder may apply to WECC for Participating Stakeholder status and, upon WECC's acceptance of such application, acquire the participation and voting rights set forth above in Section 8.7.1. WECC staff, under the direction of the CEO, will process applications and make the initial determination of eligibility for Participating Stakeholder status. Denial of Participating Stakeholder status may be appealed to the WECC Governance Committee and, if denied by the Governance Committee, to the WECC Board. A person or entity's Participating Stakeholder status will be maintained so long as the Participating Stakeholder continues to meet the requirements set forth in Section 3.24 and participates in at least one WECC meeting per year at which a Reliability Standard or revision is discussed. In the event a person or entity's Participating Stakeholder status lapses due to failure to meet the above minimum participation requirement, the person or entity may restore Participating Stakeholder status by re-applying for Participating Stakeholder status and attending a WECC meeting at which a Reliability Standard is discussed.



8.7.5 WECC Standards Voting Sectors. WECC staff shall confirm eligibility for the WECC Standards Voting Sectors set forth in the Reliability Standards Development Procedures. Decisions of the staff to approve, deny, or restrict the admission of an entity to a voting sector may be appealed to the Governance Committee. Decisions of the Governance Committee to affirm or reverse such decisions of staff may be appealed to the Board.

8.7.6 WECC staff shall require Ballot Body members to identify their affiliations with other Ballot Body members. Affiliates within a single Standards Voting Sector may only have one vote in that Standards Voting Sector. Affiliates within a single Standards Voting Sector must designate a single Affiliate as the group's Ballot Pool member to vote in that Standards Voting Sector.

## **8.8 Notice of Committee Meetings.**

8.8.1 Standing Committees. The committee Chair, with the assistance of the Chief Executive Officer, will ensure that not less than ten (10) days' notice of all standing committee meetings is posted on the WECC website and is also provided to: 1) members of the committee; 2) Participating Stakeholders (if the meeting concerns development or approval of a Reliability Standard or revision); and 3) any WECC Member or member of the public requesting notice. A committee may take up any matter at a duly noticed meeting including matters not expressly identified in the notice; provided, however, that a final recommendation to the Board must be made in accordance with Section 8.6.1.

8.8.2 Other Committees. Notice of other committee meetings will be provided in the manner adopted for such notice by the affected Members and in accordance with the requirements of Section 8.8.1.

## **8.9 Open Meetings.**

All committee meetings of WECC will be open to any WECC Member, Director and for observation by any member of the public, except as set forth in these bylaws or in policies on closed sessions that the Board may adopt for the purpose of preventing public disclosure of information that the Board might more appropriately discuss in closed session.

## **9. The Chief Executive Officer, Officers, and Employees.**

### **9.1 Designation of Officers and Terms of Office.**

WECC will have a Chief Executive Officer, a Secretary, and any other officers specified by the Board from time to time. The Chief Executive Officer will also hold the title of President of WECC if applicable law requires WECC to have a President. Each officer will be appointed by the Board and will serve for the term of office specified in the Board action appointing the officer and until his or her successor is appointed. Any two or more offices may be held by the same person except the offices of Chief Executive Officer and Secretary.

**9.2 Chief Executive Officer Qualifications.**

The Chief Executive Officer will be a person with senior management level experience and knowledge of bulk power electric transmission systems reliability, planning and operations.

**9.3 Standards Applicable to All Employees.**

A person may not be an officer or employee of WECC if: 1) the person is also the employee of or has a contractual relationship with any Entity, or any Affiliate of any Entity, that is eligible for membership in WECC; or 2) the person has a financial interest that, in the judgment of the Board or the Chief Executive Officer, creates the fact or appearance of bias, undue influence or lack of objectivity regarding any action or decision of WECC. The Board will adopt Standards of Conduct for officers and employees setting forth their duty of care, duty of loyalty, duty to avoid conflicts of interest and related matters intended to promote their neutrality, objectivity and professionalism. Upon adoption, such standards shall be attached hereto as Appendix B.

9.3.1 Exemptions from the disqualification criteria found in Section 9.3 are as follows:

9.3.1.1 Status as a residential electricity customer will not disqualify a person from employment with WECC.

9.3.1.2 A candidate for Chief Executive Officer or employee of WECC will not be disqualified for owning shares in a mutual fund because the mutual fund owns an interest in a Member or an Affiliate of a Member.

9.3.1.3 The disqualification standards described in Section 9.3 will not apply to disqualify a candidate who is receiving payments from a pension plan of a Member or an Affiliate of a Member in a form other than securities of such Member or Affiliate if the pension plan payments bear no relationship to the economic performance of the Member or Affiliate.

9.3.2 If an officer or employee receives a gift or inheritance of securities in any Member or Affiliate, he/she must resign or dispose of such securities within six (6) months of the date of receipt. Within six (6) months of the time a new Member is added in which an officer or employee owns securities, the officer or employee will resign or dispose of those securities.

**9.4 Employment.**

The Chief Executive Officer will be employed by the Board of Directors and will serve at the Board's pleasure. Any contract of employment with a Chief Executive Officer will permit the Board to dismiss the officer with or without cause.

**9.5 Chief Executive Officer's Duties.**

Subject to the Board's direction, the Chief Executive Officer or his/her designees will have the following duties, among others:

- 9.5.1 Execute policies at the direction of the Board and be responsible to the Board for the performance of the WECC functions described in Section 2;
- 9.5.2 Hire and fire staff within the constraints of the annual budget;
- 9.5.3 Perform administrative duties, such as preparing annual budgets for the approval of the Board, making employment decisions and ensuring conformance with regulatory requirements;
- 9.5.4 Develop and implement employment policies and standards of conduct; and
- 9.5.5 Accept or reject membership applications in accordance with the criteria of these Bylaws.

## **9.6 Secretary's Duties.**

- 9.6.1 Maintain Member and Affiliates Lists. The Secretary will maintain continuously updated lists of all Members and Affiliates.
- 9.6.2 Maintain Official Records. The Secretary will keep minutes of all WECC Board and Member meetings and will receive and maintain minutes of committee meetings and all other official records of WECC. Within five (5) business days after any vote taken by Members, the Board, a Class or any committee, the Secretary will provide notice to all Members and Participating Stakeholders (if applicable) of the results of such a vote through postings on the website, email and/or other means of communication.
- 9.6.3 Maintain Website. The Secretary will oversee the creation, maintenance, and updating of the WECC's website and the information published through it.

## **10. Dispute Resolution.**

Except as may be otherwise provided herein, and subject to the conditions set forth in Appendix C, Section A.1, disputes between Members and/or WECC will be resolved pursuant to the WECC Dispute Resolution Procedures set forth in Appendix C. Matters subject to the jurisdiction of the WECC Compliance Hearing Body are not subject to the procedures in Appendix C.

## **11. Costs and Finances.**

### **11.1 Funding of Reliability Activities.**

- 11.1.1 U.S. Statutory Funding. WECC shall fund all activities undertaken pursuant to Section 215 of the Federal Power Act in accordance with the funding provisions and procedures of that law and related FERC regulations and orders. The Board shall approve a budget for such activities in time for submission to the ERO and

to the FERC for approval of such funding in accordance with applicable requirements.

11.1.2 International Funding. WECC shall fund reliability activities undertaken in accordance with any agreements it enters into with Canadian or Mexican Entities. Specifically:

(a) Subject to (b), in the event that a Canadian or Mexican Entity seeks membership in the WECC, that Entity may elect to negotiate an agreement with WECC that provides the terms upon which that Entity will become a Member and, among other things, participate in and/or fund WECC. In such a case and unless agreed otherwise, the Canadian or Mexican Entity shall not be a Member of WECC and shall not have an obligation to fund activities undertaken by the WECC until the terms of such agreement are executed.

(b) Section 11.1.2(a) shall not apply to any Canadian or Mexican Entity that is a Member as of the date of the approval of these WECC Bylaws. Existing Canadian or Mexican Members shall continue as Members in accordance with the terms and conditions of their membership as of the date of the approval of the WECC Bylaws, including the terms and conditions of any agreements in place as of the date of the approval of these WECC Bylaws. Nothing in the Section precludes existing Canadian or Mexican Members from negotiating an agreement with WECC that modifies the terms of its participation in and funding of WECC at any time.

11.1.3 Equitable Allocation of Funding. In adopting budgets for the costs of reliability activities, the Board shall endeavor to achieve an equitable allocation as between funding through Sections 11.1.1 and 11.1.2 based upon the net energy to load and other relevant factors consistent with applicable law, the Delegation Agreement and any International Reliability Agreements.

## **11.2 Dues.**

The Board may require Members and Participating Stakeholders to pay nominal annual dues consistent with applicable FERC requirements (or those of International Reliability Agreements as applicable) to cover reasonable costs of membership and/or participation in standards development that are not funded through Sections 11.1.1 or 11.1.2. Initial dues of a Member or Participating Stakeholder will be submitted with a completed application for membership or Participating Stakeholder status and will be for the prorated share of the full annual amount based on the Member's or Participating Stakeholder's actual months of membership or participation in the calendar year. In determining nominal dues, the Board may consider all relevant factors including, but not limited to, the ability of different classes of membership or Participating Stakeholders to pay such dues. The Board may also reduce, defer or eliminate the dues obligation of an individual Member or Participating Stakeholder for good cause shown.

### **11.3 Funding of Non-Statutory Activities.**

To the extent that WECC elects to fund any activities not eligible for funding pursuant to Sections 11.1.1 and 11.1.2, it shall do so through the use of service fees, charges or dues applicable to the persons or entities that voluntarily participate in such activities. Participation in or funding of such activities shall not be a condition of membership in WECC.

## **12. Amendments to these Bylaws.**

These Bylaws may be amended by either the Board or by the Members in accordance with the following procedures.

### **12.1 Amendment by the Board.**

Except for those provisions described below, the Board may approve an amendment of the Bylaws after providing not less than thirty (30) days' notice of the proposed amendment to all Members. Approval of such an amendment requires the affirmative votes of not less than two-thirds (2/3) of the Directors in office. Such amendment will become effective sixty (60) days after its approval by the Board (1) unless the vote is appealed to the Members prior to the sixtieth day, or (2) subsequent regulatory approval is required. A Member appeal shall be sufficient to hold implementation of an amendment if a majority of any Class files a petition with the Secretary seeking appeal of such amendment. If such an appeal is received, the membership will vote on whether to rescind the Board approved amendment at the next Annual Meeting unless the Board calls a special meeting of the Members beforehand. An appeal will only be successful if a majority of all Members and a majority (three of five) of Member Classes vote to rescind the amendment. If the appeal vote is not successful, then the amendment will be deemed approved as of the day of the failed Membership vote. If subsequent regulatory approval is required for the amendment, then the amendment shall be effective upon the effective date of such approval.

12.1.1 Notwithstanding the foregoing, both Board and Member approval is required to amend provisions of these Bylaws concerning Sections 1.1 and 1.2; Section 4.2; Sections 6.2 through 6.8, inclusive; Section 7.2; Section 10; Sections 12.1 through 12.4, inclusive; Appendix C, and any other sections as may be required by Utah law. In such case, the Board shall first vote on the proposed amendment. If approved by the Board by the majority specified in Section 12.1 necessary to attain Board approval, the amendment must then be noticed to Members at least sixty (60) days prior to the Annual Meeting or a Special Member Meeting at which the Member vote will occur. The amendment will then be approved if approved by two thirds (2/3) or more of the Members who vote upon such amendment.

### **12.2 Amendment by the Members.**

Upon petition filed with the Secretary by any Member or Director, at any Annual Meeting the Members may amend any provision of these Bylaws; provided: 1) the proposed amendment has first been presented to the Board and not adopted (this provision will not apply to amendments which the Board is prohibited from adopting); 2) Members have received not less than sixty (60) days' notice of the proposed amendment,

the reasons there for and a statement of the Board's position regarding it; and 3) the amendment receives the affirmative votes of not less than two-thirds (2/3) of all Members and a majority of Member Classes.

**12.3 Amendments in Response to Mandatory Membership.**

If at any time, pursuant to legislation or otherwise, membership becomes mandatory for some or all Members, upon the request of the affected Member(s) the Board will consider amendments to these Bylaws appropriate to such mandatory membership.

**12.4 Amendments proposed by FERC.**

FERC, upon its own motion or upon complaint, may propose an amendment to these Bylaws pursuant to 18 C.F.R. § 39.10(b).

**13. Termination of Organization.**

WECC may be terminated upon a vote of a majority of the Members in accordance with the provisions of Utah law, the Federal Power Act and the requirements of the Delegation Agreement and applicable International Reliability Agreements. Immediately upon such a vote, the Board will, after paying all debts of WECC, distribute any remaining assets in accordance with the requirements of Utah law, the Internal Revenue Code and these Bylaws.

**14. Miscellaneous Provisions.**

**14.1 Limitation on Liability.**

It is the express intent, understanding and agreement of the Members that the remedies for nonperformance expressly included in Section 4.8 hereof shall be the sole and exclusive remedies available hereunder for any nonperformance of obligations under these Bylaws. Subject to any applicable state or federal law which may specifically limit a Member's ability to limit its liability, no Member, its directors, members of its governing bodies, officers or employees shall be liable to any other Member or Members or to third parties for any loss or damage to property, loss of earnings or revenues, personal injury, or any other direct, indirect, or consequential damages or injury which may occur or result from the performance or nonperformance of these Bylaws, including any negligence, gross negligence, or willful misconduct arising hereunder. This Section 14.1 of these Bylaws applies to such liability as might arise between Members under these Bylaws. This Section 14.1 does not apply to parties to the Agreement Limiting Liability Among Western Interconnected Systems ("WIS Agreement") with respect to matters covered by the WIS Agreement and does not apply to any liability provision in any other agreement.

**14.2 Indemnification.**

WECC shall indemnify and hold harmless its Directors, officers, employees, agents and advisors against any and all damages, losses, fines, costs and expenses (including attorneys' fees and disbursements), resulting from or relating to, in any way, any claim, action, proceeding or investigation, instituted or threatened, arising out of or in any way relating to any action taken or omitted to have been taken (or alleged to have been taken or omitted to have been taken) by such person in connection with actions on behalf of WECC, and against any and all damages, losses, fines, costs and expenses (including attorneys' fees and disbursements) incurred in connection with any settlement of any



such claim, action, proceeding or investigation unless such action of such person is determined to constitute fraud, gross negligence, bad faith or willful misconduct with respect to the matter or matters as to which indemnity is sought.

**14.3 No Third Party Beneficiaries.**

Nothing in these Bylaws shall be construed to create any duty to, any standard of care with reference to or any liability to any third party.

**14.4 Informal Inquiries for Information.**

Nothing in these Bylaws shall preclude: 1) a Member from making an informal inquiry for information outside of the procedures outlined in Section 4.6.11 hereof to another Member and 2) that other Member from responding voluntarily to that informal inquiry, provided, however, that any such response to an informal inquiry for information shall not be binding upon that other Member and shall be used by the Member making the informal inquiry for informational purposes only.

**15. Incorporation.**

WECC shall organize itself as a non-profit corporation pursuant to the laws of the state of Utah regarding non-profit corporations under the name “Western Electricity Coordinating Council.” All Members agree to take no actions that would contravene the ability of WECC to maintain its status as a non-profit corporation existing pursuant to the Utah Act. The Board shall adopt these Bylaws as the Bylaws of WECC as a non-profit corporation.

WECC is intended to qualify as an organization described in Section 501(c)(4) of the Internal Revenue Code. No part of any net earnings of WECC shall inure to the benefit of any Member or individual. Upon liquidation, to the extent consistent with the Internal Revenue Code and Utah law, any monies remaining from assessments paid by Members for the costs of WECC shall be rebated to Members in proportion to their payments. Any remaining assets of WECC shall be transferred to another organization exempt from tax under Section 501(a) of the Internal Revenue Code, or government agency, promoting the same purposes as WECC, as designated by the Board.

**16. Governing Law.**

Unless otherwise agreed, if any conflict of law arises under these Bylaws among the Members, the laws of the United States of America shall govern, as applicable. The venue for any legal action initiated under these Bylaws shall be the city and state (or province) in which the headquarters of WECC is located.

**17. WECC Transition**

The provisions of this Section shall apply to that period of time and activities associated with the transition of WECC from a hybrid Board of Directors to an independent Board of Directors with a Member Advisory Committee.

## **17.1 Board of Directors transition.**

17.1.1 The transition of WECC governance from a hybrid Board to an independent Board of Directors will be effective upon the effective date of Federal Energy Regulatory Commission approval of Section 6.1 establishing an independent Board (“Effective Date”). The non-affiliated directors of WECC, whose terms extend past the Effective Date, so willing to continue to serve, shall form part of the initial cadre of independent Directors. These continuing Directors shall be entitled to serve the remainder of their respective three-year terms of office.

## **17.2 Transition Exceptions**

The nomination, election and term of additional independent Directors shall be in conformance with the requirements of these bylaws, as amended, except:

17.2.1 The requirement that the Nominating Committee notify the Board Chair of the committee’s nominations sixty (60) days prior to an Annual Meeting shall not apply.

17.2.2 Appointments of Member Advisory Committee members to the Nominating Committee shall be made such that no one class can occupy more than one seat at a time and cannot have a representative on the committee more than two years in a row.

17.2.3 Director positions of non-affiliated directors of WECC, whose terms extend beyond the Effective Date, but whose directors resign or indicate they will resign prior to the Effective Date, will be filled through the same nomination and election process used to select additional independent directors as provided above.

17.2.4 Those Directors first elected as a result of this transition from a hybrid to an independent Board will draw lots to determine their term length determined to achieve the staggered terms required by Section 6.3.

17.2.5 The nomination and election of a number of additional Directors needed to seat the entire Independent Board as described in section 6.4 as of the Effective Date may occur prior to the Effective Date. While the nomination and election of an individual to a director position may occur prior to the Effective Date, such nomination and election shall have the full force and effect of these bylaws after the Effective Date.

## **17.3 Member Advisory Committee transition**

17.3.1 Initial Formation. When there is a meeting where Members vote to amend the WECC bylaws to provide for a Member Advisory Committee (MAC), the MAC will initially be constituted through elections conducted in conjunction with the same meeting.



- 17.3.2 Election of the initial MAC member representatives shall be as provided in these bylaws, as amended, except:
- 17.3.3 Where what had been the Class Seven membership category is combined with the Class Three membership category, Class Seven Members will indicate, prior to the meeting, whether they intend to continue participation in WECC as a member of the newly combined Class Three category. Entities so indicating will be considered members of Class Three for purposes of the initial formation of the MAC and shall be entitled to participate in elections for Class Three member representatives of the MAC.
- 17.3.4 Member Classes will not be allowed to subdivide into subclasses for purposes of electing class representative MAC members at the meeting where the MAC is initially formed and where initial MAC member elections are conducted.
- 17.3.5 The terms of each Class' three (3) initial Class representative members on the MAC shall be allocated, by the drawing of lots, such that the intended staggered terms for MAC members will be obtained, with one of a Class' initial MAC member representatives serving an initial term of one year, another two years, and another three years.

## **APPENDICES**

- A. Board Member Standards of Conduct
- B. Officers and Employees Standards of Conduct
- C. WECC Dispute Resolution Procedures

**Appendix A**  
**Standards of Conduct for**  
**Members of the WECC Board of Directors**

By accepting appointment to the Board of Directors (the “Board”) of the Western Electricity Coordinating Council (“WECC”), a Director agrees to abide by the duties required of corporate directors and trustees. Utah law (and similar law in other states) imposes quasi-fiduciary duties of care and loyalty on all corporate directors or trustees, including directors and trustees of nonprofit corporations. For as long as he or she remains a member of the Board of Directors of WECC, a Director will abide by the following standards of conduct.

- I. Duty of care. The Directors of a corporation are bound to use due care and to be diligent in respect to the management and administration of the affairs of the corporation. This duty of care is generally thought to have two components: the time and attention devoted to corporate affairs and the skill and judgment reflected in business decisions.
  - A. Each Director will regularly attend Board of Directors meetings, digest the materials sent to him or her, participate in Board discussions and make independent inquiries as needed.
  - B. In voting on any matter before the Board or otherwise acting in his or her capacity as a Director, each Director will:
    - 1. make reasonable inquiry to inform himself or herself of the nature and consequences of the matter or action at issue;
    - 2. exercise, at a minimum, the degree of care, skill, and diligence that an ordinarily prudent business person would exercise under similar circumstances; and
    - 3. act in a manner the Director, in the exercise of his or her independent judgment, believes to be in the best interests of WECC and the membership of WECC, taken as a whole.
  - C. In exercising the duty of care described in paragraphs IA and B above, a Director has the right to rely on statements by the persons immediately in charge of business areas of WECC, to rely on professionals and experts (such as engineers, accountants and lawyers) and to rely on committees of WECC, unless facts or circumstances appear which would prompt further concerns of the ordinarily prudent person.
- II. Duty of loyalty. The duty of loyalty imposes on a Director the obligation to remain loyal to WECC, acting at all times in the best interests of WECC and its Members as a whole and unhampered by any personal pecuniary gain. This duty does not preclude a Director from being employed in a competing or related business so long as the Director acts in good faith and does not interfere with the business of WECC.
  - A. Each Director will carry out his or her duties as a Director in good faith.

- B. Each Director will refrain from using any influence, access, or information gained through his or her service as a Director to confer any improper personal benefit (financial or otherwise) upon himself or herself, any family member, or any person living in the Director's household.
- C. Each Director will refrain from using any influence, access, or information gained through his or her service as a Director to confer an improper benefit (financial or otherwise) on any organization:
  - 1. for which the Director serves as an officer, director, employee, consultant, or in any other compensated or management position; or
  - 2. in which the Director or any family member or person living in the Director's household has a material financial interest (whether as a shareholder, partner, or otherwise).
- D. To the extent permitted by law, each Director will maintain the confidentiality of:
  - 1. any confidential or proprietary information of WECC disclosed or available to the Director;
  - 2. any confidential or proprietary information of WECC Member(s) to which the Director has access by virtue of his or her status as Director; and
  - 3. any confidential or proprietary information of third parties that has been provided to WECC or the Board on condition of confidentiality.
- E. Conflicts of Interest. Because conflicts of interest may arise from time to time, specific guidelines are provided. In general, conflicts of interest involving a Director are not inherently illegal nor are they to be regarded as a reflection on the integrity of the Board or of the Director. It is the manner in which the Director and the Board deal with a disclosed conflict that determines the propriety of the transaction.

Directors of nonprofit corporations may have interests in conflict with those of the corporation. The duty of loyalty requires that a Director be conscious of the potential for such conflicts and act with candor and care in dealing with these situations.

The following are guidelines for Directors with actual or potential conflicts of interest:

- 1. Each Director has a responsibility to recognize potential conflicts of interest and to be guided when acting as a Director by his or her independent judgment of what is in the best interests of WECC and the membership of WECC, taken as a whole. If any Director has questions about whether a conflict of interest exists, he or she may make inquiry to the Chief Executive Officer of WECC for advice.

2. Potential conflicts of interest may arise because of a Director's private, individual interests (personal conflicts of interest) or because of relationships the Director may have with other organizations or interest groups (organizational conflicts of interest). Current or past employment or other compensation-based relationships with one or more WECC Members are examples of potential organizational conflicts of interest. Whether a potential conflict of interest is personal or organizational, in all cases involving WECC affairs a Director's conflicting interests are subordinate to those of WECC and the membership of WECC, taken as a whole.
3. Personal conflicts of interest.
  - a. Personal conflicts of interest exist if a Director, a member of the Director's family, or a person sharing the Director's household: 1) has a material financial interest in a matter or transaction that comes before the Board for action; or 2) stands to receive a benefit (in money, property, or services) from a transaction involving WECC to which the person is not legally entitled.
  - b. In cases of personal conflicts of interest, the affected Director's obligations are to:
    - (1) disclose to the Board, before the Board acts with respect to that matter, the material facts concerning the Director's personal conflict of interest; and
    - (2) refrain from voting, and from attempting to influence the vote of any other Director(s), in those matters in which the Director has a personal conflict of interest.
4. Organizational conflicts of interest.
  - a. An organization has a "direct" conflict of interest if a decision by the Board would confer material benefits on that organization that other WECC Members would not share, or impose material detriments or costs on that organization that other WECC Members would not share. The fact that many if not all Members are affected to some extent by Board decisions on core issues such as standards, new transmission lines and their ratings, does not create or constitute a "direct" conflict of interest.
  - b. It is not a "direct" conflict of interest for a Director to be associated with an organization or an interest group that may stand to benefit from decisions made or actions taken by the Board, so long as the Director does not attempt to use his or her position as a Director to confer special

benefits on associated organizations or interest groups when other WECC Members would not share in those benefits.

- c. In cases of potential “direct” organizational conflicts of interest, the affected Director’s obligations are to:
  - (1) disclose to the Board, before the Board acts with respect to the matter, the material facts concerning the organizational conflict of interest; and
  - (2) refrain from voting and from attempting to influence the vote of any other Director(s) with respect to the proposed action or decision.

**Appendix B**  
**Officers and Employee**  
**Standards of Conduct**

By accepting employment with the Western Electricity Coordinating Council (“WECC”), an Employee agrees to abide by these Standards of Conduct. For the purpose of these Standards, an Employee includes each and all officers, employees and substantially full-time consultants and contractors of WECC.

- I. Duty of care. The Employees of WECC are bound to use due care and to be diligent in respect to the management and administration of the affairs of the corporation. This duty of care is generally thought to have two components: the time and attention devoted to corporate affairs and the skill and judgment reflected in business decisions.

Employees shall not have any outside employment that limits in any way their ability to fulfill their employment responsibilities to WECC. If an Employee has any question about whether outside employment is consistent with this standard, they should consult with their supervisor.

- II. Duty of loyalty. The duty of loyalty imposes on an Employee the obligation to remain loyal to the WECC, acting at all times in the best interests of WECC and its Members as a whole and unhampered by any personal pecuniary gain. WECC expects all Employees to avoid adversely affecting the public’s confidence in the integrity and reputation of WECC. Any conduct or activities of any Employee should be capable of being justified and withstanding public scrutiny.
- A. Each Employee will carry out his or her duties as an Employee in good faith, with integrity and in a manner consistent with these Standards and all applicable laws governing WECC.
- B. Each Employee will refrain from using, or creating the appearance of using, any influence, access, or information gained through his or her service as an Employee to confer any improper personal benefit (financial or otherwise) upon himself or herself, or Family Member.<sup>1</sup> Employees shall not accept gifts or entertainment that would tend to affect, or give the appearance of affecting, the performance of their duties; provided, however, that Employees may accept de minimus food or entertainment or non-cash gifts received as part of a social or special occasion in amounts not to exceed \$1000 per source per year.
- C. Each Employee will refrain from using, or creating the appearance of using, any influence, access, funds or information gained through his or her service as an Employee to confer an improper benefit (financial or otherwise) on any organization. The obligation to avoid the appearance of impropriety shall apply in particular to any organization:

---

<sup>1</sup> For purposes of these Standards, a Family Member includes a spouse, domestic partner, child of the Employee, or a relative living in the same home as the Employee.

1. for which the Employee is serving or has in the past served as an officer, director, employee, consultant, or in any other compensated or management position; or
  2. in which the Employee, or Family Member has a material financial interest known to the Employee (whether as a shareholder, partner, or otherwise).
- D. Employees shall not use their WECC position, WECC funds or WECC resources to support any political party, candidate or proposition except as expressly authorized by the Board.
- E. To the extent permitted by law, each Employee shall maintain the confidentiality of:
1. any confidential or proprietary information of WECC disclosed or available to the Employee;
  2. any confidential or proprietary information of WECC Member(s) to which the Employee has access by virtue of his or her status as Employee; and
  3. any confidential or proprietary information of third parties that has been provided to WECC or the Board on condition of confidentiality.
- F. Conflicts of Interest. The following conflicts of interest policy shall apply to all WECC Employees. Conflicts of interest may arise from time to time. In general, conflicts of interest involving an Employee are not inherently illegal, nor are they to be regarded as a reflection on the integrity of WECC or of the Employee. It is the manner in which the Employee and WECC deal with a disclosed conflict that determines the propriety of the transaction. The following are guidelines for Employees with actual or potential conflicts of interest:
1. In general, personal conflicts of interest exist if an Employee, or a Family Member, has a material financial interest in a matter or transaction that comes before WECC for action, or stands to receive a benefit (in money, property, or services) from a transaction involving WECC to which the person is not legally entitled. For purposes of determining whether stock constitutes a material financial interest, see Paragraph F(6) below.
  2. Organizational conflicts of interest exist if an Employee, or a Family Member, has a relationship with an organization or interest group that would cause a reasonable person to believe such Employee's judgment, loyalty, or objectivity might be influenced in a way that is adverse to the interests of WECC.
  3. Where there is any question about potential conflicts of interest, the Employee shall disclose to the Chief Executive Officer as soon as possible and prior to when WECC takes action with respect to that matter, the material facts concerning the Employee's personal conflict of interest, and refrain from participating in, or from



attempting to influence the action of any Directors or Employee(s) of WECC regarding those matters in which the Employee has a conflict of interest.

4. No Employee may be an employee, director of, or consultant to or provide services to or be associated in any way with any WECC Member without full disclosure to, and written consent of, the Chief Executive Officer. To the extent that an Employee becomes aware that a Family Member is or will in the future be engaged in activity described in this Paragraph F(4), the Employee shall promptly notify the Chief Executive Officer, who shall review all the material facts and determine whether they constitute a conflict of interest pursuant to Paragraphs F(1) and F(2), above.
5. No Employee shall participate in any electric energy transaction other than for ordinary personal use except to the extent necessary to, and consistent with, the functions of WECC. Participation in an energy transaction includes, but is not limited to, purchasing, selling, marketing, or brokering of electricity, ancillary services, electricity transmission or electricity distribution. To the extent that an Employee becomes aware that a Family Member is or will in the future be engaged in activity described in this Paragraph F(5), the Employee shall promptly notify the Chief Executive Officer who shall review all the material facts and determine whether they constitute a conflict of interest pursuant to Paragraphs F(1) and F(2), above.
6. All Employees shall promptly disclose to the CEO and the Chair of the Board any direct or indirect financial interest in excess of \$5,000 (including the direct or indirect ownership of securities) held by the Employee or a Family Member living with the Employee<sup>2</sup> in any Electric Line of Business entity as defined in Section 3.15 of the Bylaws doing business in the Western Interconnection. Upon such disclosure, the CEO and the Chair of the Board shall determine whether such financial interest constitutes a conflict of interest, or the appearance thereof, in light of the duties of the Employee, the ability to divest such financial interest without undue hardship and the totality of the circumstances. In response to such disclosure, the CEO and the Chair may impose such remedies as are reasonable under the circumstances and consistent with section 9.3 of the Bylaws. Such remedies may include, but are not limited to, restrictions on the Employee's duties or involvement in certain matters, transfer of the Employee to another position, broader disclosure of the financial interest, voluntary or mandatory divestiture of the interest (in whole or in part) or other remedies. Pursuant to section 9.3.2 of the Bylaws, if an Employee (not a Family Member) receives a gift or inheritance of securities of a Member of WECC, or if a new Member joins WECC in which the

---

<sup>2</sup> Nothing in this section shall require an Employee to investigate the financial interests of Family Members not living with the Employee. However, to the extent known to the Employee, the financial interests of a Family Member not living with the Employee may create a potential conflict of interest (or appearance thereof) subject to Sections II(B) and/or II(F)(1) of these standards, in which case disclosure pursuant to Section II(F)(3) is appropriate.

Employee (not a Family Member) holds securities, the Employee must resign or divest such securities within six months thereafter. For the purposes of this section, none of the following shall constitute a direct or indirect financial interest:

- a. An interest that exists through diversified mutual funds;
- b. An interest that exists for six months following receipt of a gift or inheritance of securities of a Market Participant or acceptance of employment with WECC, whichever is later (provided that employees of the WSCC shall have two years from WECC organizational meeting to divest securities in their possession as of that date);
- c. An interest that exists through a pre-existing participation in a qualified defined benefits pension plan or health benefits plan of a Market Participant so long as the benefits under such plan do not vary with the economic performance or value of the securities of such Market Participant.

## Appendix C

### WECC Dispute Resolution Procedures

#### C. DISPUTE RESOLUTION.

C.1 Obligation To Comply with Dispute Resolution Procedures. If any dispute concerning one or more issues identified in Section C.2 below arises between a Member and one or more other Members, or between one or more Members and WECC, all of the parties to the dispute shall, to the extent permitted by law, be obligated to comply with the dispute resolution procedures specified in these Bylaws (except to the extent all of the parties to the dispute may agree otherwise as provided in Section C.4 below). Only Members and WECC have the right to invoke the provisions of this Appendix C and, except where all affected parties have separately agreed otherwise with respect to a particular dispute, only Members and WECC are obligated to carry out the dispute resolution procedures set forth herein. Any dispute subject to the provisions of this Appendix C to which WECC is made a party shall be subject to the additional requirements specified in Section C.3 below if the dispute is initiated by a party other than WECC. To the extent permitted by law (and except as otherwise permitted by the provisions of Section C.6.3), no party to a dispute subject to the provisions of this Appendix C may pursue any other available remedy with respect to the dispute until all of the parties to the dispute have fully complied with the dispute resolution procedures specified herein, *provided, however*, that if any party to a dispute subject to the provisions of this Appendix C refuses to comply with the dispute resolution procedures specified herein, all other parties to the dispute shall subsequently be relieved of any further obligation to comply with these dispute resolution procedures before pursuing other remedies in connection with that dispute.

C.2 Issues Subject to Dispute Resolution Procedures. Any dispute between or among the parties identified in Section C.1 above (that the parties to the dispute do not resolve through negotiations between or among themselves) shall be subject to the dispute resolution procedures set forth in this Appendix C if the dispute concerns: (i) the application, implementation, interpretation, or fulfillment of any guidelines, criteria, policies, procedures, or Bylaws of WECC or the North American Electric Reliability Council (or any successor organization); or (ii) any matter specified in Section C.6.2 below; except that any matter that is subject to the jurisdiction of the WECC Compliance Hearing Body is not subject to the requirements of this Appendix C. Notwithstanding the foregoing provisions of this Section C.2, however, neither WECC nor any Member shall be obligated to comply with the dispute resolution procedures of these Bylaws if: (a) the dispute is between two or more Members (or WECC), all of which, at the time of the dispute, are parties to the WECC Reliability Management System Agreement and the matter is within the scope of the dispute resolution procedures set forth in that agreement; or (b) the dispute is between two or more Members, all of which, at the time of the dispute, are parties to a separate agreement or treaty or where an applicable tariff, rate schedule, or other legal obligation of one of the parties provides for the parties to resolve the dispute in a manner other than in accordance with the provisions of this Appendix C of the Bylaws.

C.3 Limitations on Members' Rights To Make WECC a Party to a Dispute. In addition to the other provisions of this Appendix C of the Bylaws, any dispute (other than a dispute initiated by WECC) to which WECC is made a party shall be subject to the limitations set forth in Sections C.3.1 and C.3.2 below.

C.3.1 Bases for Using Dispute Resolution Procedures To Challenge WECC Action.

Subject to any limitation set forth in these Bylaws or in applicable statute, regulation or FERC order, one or more Members may use the dispute resolution procedures specified in this Appendix C to challenge any final action of WECC only on one or more of the following bases: (i) the action is contrary to applicable law or regulation; (ii) the action is contrary to WECC's Articles of Incorporation or these Bylaws (including WECC's purposes as set forth in those documents); (iii) the action was taken in violation of applicable procedures of WECC governing that action; or (iv) the action encompasses a decision in which there was plain error material to the decision. For purposes of this Appendix C, action taken by WECC shall be deemed final if: (a) the action has been taken or adopted or approved or accepted by WECC's Board of Directors (other than by a motion specifically providing that the action is conditional or will have temporary application not to exceed six months); (b) all conditions specified to make any conditional action of WECC's Board of Directors effective have been fulfilled; or (c) the action has been taken or adopted or approved or accepted by a committee, subcommittee, task force, or other group or person acting under authority of WECC without any provision making the action subject to further approval or adoption or acceptance by the Board of Directors. Nothing contained in this Appendix C shall limit any rights any Member (or any other party) may have under applicable law or regulation to initiate or participate in an administrative or legal action to which WECC is made a party in accordance with applicable provisions of law or regulation.

C.3.2 Obligation to Bear WECC's Share of Facilitator Costs. If one or more Members initiate a dispute under this Appendix C to challenge an action of WECC, the Member(s) initiating the challenge shall be obligated to bear all of the costs of facilitators' services incurred to comply with the requirement of Section C.5 below, except to the extent WECC agrees to pay a share of the costs of facilitators' services.

C.4 Ability to Modify Dispute Resolution Procedures by Agreement. Any provision of the dispute resolution procedures set forth in this Appendix C may be modified, waived, or omitted by agreement of all of the parties to the dispute. Parties to a dispute subject to these provisions are obligated to comply with its procedures unless all of the parties to the dispute agree to do otherwise. The manner in which the dispute resolution procedures set forth in this Appendix C may be varied include (by way of example and not as limitation): the manner of selecting a facilitator or arbitrator; the procedures or time lines to be followed during mediation or arbitration; the grounds or forum or right to appeal an arbitrator's decision; the manner of allocating fees and costs associated with the dispute; whether the parties are obligated to proceed to arbitration if the dispute is not resolved through mediation; and whether a decision rendered through arbitration is binding on the parties. In addition, any dispute that does not fall within the scope specified in Section C.2 above may be resolved according to the procedures set forth in Appendix C of these Bylaws if all of the parties to the dispute agree to do so.

C.5 Mediation.

C.5.1 Notice to Other Parties and WECC's Chief Executive Officer. To initiate the dispute resolution process with respect to a dispute governed by the provisions of

this Appendix C, the Member or WECC that has elected to initiate the dispute shall deliver to all other parties to the dispute and to WECC's Chief Executive Officer (whether or not WECC is a party to the dispute) written notice invoking the dispute resolution procedures set forth in this Appendix C (a "Dispute Notice").

C.5.1.1 The Dispute Notice shall: (i) include a brief, general description of the matter(s) in dispute; (ii) include a complete list of all other Members the party submitting the Dispute Notice intends to make a party to the dispute; and (iii) state whether or not WECC is to be made a party to the dispute.

C.5.1.2 Within five business days of receiving a Dispute Notice, any party to the dispute may elect to deliver a brief supplemental description of the dispute to WECC's Chief Executive Officer.

C.5.1.3 Within 10 business days of receiving an initial Dispute Notice, WECC's Chief Executive Officer shall: (a) publish (or cause to be published) in WECC's newsletter or on its electronic bulletin board a notice containing a list of the parties to the dispute and a summary of the descriptions of the matter(s) in dispute provided by the parties to the dispute; and (b) deliver to each party to the dispute a copy of WECC's then-current standing list of qualified facilitators, knowledgeable in the matters addressed by WECC (as approved by the Board of Directors).

C.5.1.4 No person may be listed on WECC's standing list of qualified facilitators unless the person has agreed to: (i) disclose, at any time the



person is selected to serve as a facilitator under this Appendix C, any personal or financial interest the facilitator may have with respect to the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the facilitator's immediate family members); (ii) disclose any relationship the facilitator may have with any party to the dispute that is not permitted under Section C.5.2 below; and (iii) abide by all applicable provisions of these Bylaws, including restrictions on disclosure of matters discussed and information exchanged during mediation as provided in Section C.5.3 below.

C.5.2 Selection of a Facilitator. Within 10 calendar days after the delivery of a Dispute Notice, the parties to the dispute shall select a neutral facilitator by mutual agreement. If the parties to the dispute cannot agree on a facilitator within 10 calendar days after delivery of a Dispute Notice, the facilitator shall be selected from WECC's standing list of qualified facilitators as follows: The parties to the dispute shall take turns striking names from WECC's standing list of qualified facilitators until there is only one name remaining. (The parties to the dispute shall draw lots to determine the order in which they take turns striking names.) The last person whose name remains on the list shall serve as the facilitator. No facilitator other than a facilitator chosen by agreement of all the parties to the dispute may (i) have a personal or financial interest in the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the facilitator's immediate family

members); or (ii) be (or have an immediate family member who is) a past or present director, commissioner, officer, employee, consultant, agent, or other representative of any of the parties to the dispute. If the facilitator selected through the process of striking names specified above is disqualified under the preceding sentence, the facilitator whose name was stricken last shall serve in his or her place. In addition, if WECC is a party to a dispute initiated by one or more Members, turns striking names from the standing list of qualified facilitators shall alternate between WECC on the one hand and all other parties to the dispute on the other.

C.5.3 Mediation Process. The facilitator and representatives of all of the parties to the dispute shall meet within 14 calendar days after the facilitator has been selected and attempt in good faith to negotiate a resolution to the dispute. Each party's representative designated to participate in the mediation process must have the authority to settle the dispute (or, at a minimum, be authorized to negotiate on behalf of the party and make recommendations with respect to settlement of the dispute if final authority to approve a settlement is reserved to a party's board, executive committee, commission, or other governing body). At the parties' initial meeting with the facilitator, the facilitator shall, after soliciting input from the parties to the dispute, set the schedule for further meetings among the parties to the dispute (subject to the 60-day maximum mediation period specified in Section C.5.6 below). The parties to the dispute shall comply with the schedule set by the facilitator and attempt in good faith at every meeting to negotiate a resolution to the dispute. To the extent permitted by law, neither the facilitator nor any party to the dispute may publicly disclose, rely on, or introduce as evidence in any subsequent arbitration, FERC proceeding, Canadian Regulatory

Authority proceeding, proceeding before a Mexican Regulatory Authority, appeal, or litigation concerning the same or any related dispute: (i) any views expressed or suggestions made by another party to the dispute with respect to a possible settlement of the dispute; (ii) admissions made by another party to the dispute in the course of the mediation proceedings; (iii) proposals made or views expressed by the facilitator; or (iv) the fact that another party to the dispute has or has not indicated willingness to accept a proposal for settlement made by the facilitator. In those cases in which a party to a dispute subject to the provisions of this Appendix C of the Bylaws is a membership organization (including WECC, if applicable), nothing in the preceding sentence shall prohibit that organization from reasonably communicating with its members and governing body to share general information about the dispute, such as the parties, status, disputed issues, and positions of each of the parties with respect to the disputed issues.

C.5.4 Referral for Resolution. With the consent of all parties to the dispute, a resolution may include referring the matter to a technical body (such as a technical advisory panel of WECC) for resolution or an advisory opinion, to arbitration, directly to FERC or, in a dispute involving a Canadian Member, directly to the appropriate Canadian Regulatory Authority, or, in a dispute involving a Mexican Member, directly to the appropriate Mexican Regulatory Authority.

C.5.5 Mediation Participation by WECC Staff When WECC Not a Party. If, during the course of mediation to which WECC is not a party, the facilitator or any party to the dispute wishes to solicit the views of WECC concerning the application, implementation, interpretation, or fulfillment of any guidelines, criteria, standards, policies, or procedures of WECC, the facilitator may request or permit the submission of WECC staff views only if: (i) any participation by WECC staff

takes place exclusively in the presence of all parties to the dispute; (ii) participating WECC staff members agree to be equally available upon request to all parties to the dispute; and (iii) participating WECC staff members agree to comply with the restrictions on disclosure contained in Section C.5.3.

C.5.6 Mediation Deemed at Impasse After 60 Days. If the parties to the dispute have met and negotiated in good faith in accordance with the schedule set by the facilitator but have not succeeded in negotiating a resolution of the dispute within 60 calendar days after the first meeting with the facilitator pursuant to Section C.5.3 above, the parties to the dispute shall be deemed to be at impasse and, except as otherwise provided in Section C.5.6.2 below, shall also be deemed to have fulfilled their obligations under Section C.1 of these Bylaws to fully comply with the dispute resolution provisions before pursuing any other available remedy. If any party participating in the mediation process is subject to a contractual or statutory limitations period with respect to the matter in dispute, and the limitations period will expire before the 60-day period for mediation under this Section C.5.6 is completed, then the parties shall be deemed at impasse on the seventh calendar day preceding the expiration of the shortest applicable limitations period.

C.5.6.1 Disputes Not Subject to Provisions of Section C.6.2. Unless the matter in dispute is subject to the provisions of Section C.6.2 below, at any time after the parties to the dispute are deemed at impasse, the dispute may be submitted to binding arbitration in accordance with the procedures set forth in Section C.7 of these Bylaws (but only by agreement of all of the parties to the dispute). If the matter in dispute is subject to the provisions of Section C.6.2 below, the parties' obligations with respect to submitting the matter to binding arbitration under Sections C.6 and C.7 of these Bylaws shall be as specified in Section C.5.6.2 below. In

all other cases, if the parties to the dispute do not agree to submit the dispute to binding arbitration in accordance with the procedures set forth in Section C.7 of these Bylaws, any party to the dispute may at any time thereafter pursue any other remedy available under regulation, law, or equity (subject to the restrictions on disclosure set forth in Section C.5.3 above).

C.5.6.2 Disputes Covered by Section C.6.2. If the parties to a dispute concerning a matter subject to the provisions of Section C.6.2 either: (i) are deemed at impasse after attempting to resolve the matter through mediation as provided in Sections C.5.1 through C.5.6 above; or (ii) have agreed to submit the matter directly to binding arbitration without attempting to resolve the matter through mediation as provided in Sections C.5.1 through C.5.6 above, the parties to the dispute shall submit the matter to binding arbitration in accordance with the procedures set forth in Sections C.6 and C.7 of these Bylaws.

C.5.7 Costs of Facilitator's Services. Except as otherwise provided under Section C.3.2, the costs of the facilitator's services shall be born equally by all parties to the dispute unless the parties to the dispute agree otherwise, but the parties also intend that the costs of mediation should be taken into account in any resolution proposed through the mediation process.

C.5.8 Notice to WECC of Completion of Mediation. Within 10 calendar days after either: (i) reaching a negotiated resolution through the mediation process set forth in Section C.5; or (ii) reaching deemed impasse in accordance with Section C.5.6 above, the parties to the dispute shall jointly deliver to WECC's Chief Executive Officer a written notice briefly describing the outcome of the mediation process. Promptly after receiving written notice describing the outcome of a mediation conducted in accordance with Section C.5, WECC's Chief Executive Officer shall

publish (or cause to be published) in WECC's newsletter or on its electronic bulletin board a brief description of the outcome of the mediation, together with a list of all of the parties to the dispute.

C.6 General Provisions Relating to Binding Arbitration.

C.6.1 Matters for Which Binding Arbitration is Elective. Except with respect to any dispute that concerns one or more matters specified in Section C.6.2 below, the binding arbitration procedures set forth in Section C.7 may be invoked only by agreement of all of the parties to the dispute to be arbitrated and are solely for the convenience of WECC and its Members. If a dispute governed by this Appendix C does not concern a matter specified in Section C.6.2 below, a party to the dispute shall be deemed to have fulfilled its obligations to comply with Appendix C of these Bylaws (irrespective of whether the parties to the dispute agree to proceed with binding arbitration) to the extent that either: (i) that party has fully performed the obligations set forth in Sections C.1 through C.5.8; or (ii) all of the parties to the dispute have agreed to a different process for resolving the dispute and the agreed-upon process has been fully carried out.

C.6.2 Matters for Which Binding Arbitration Is Obligatory. If a dispute is governed by Appendix C of these Bylaws and is not resolved through the process of mediation in accordance with Sections C.5.1 through C.5.6 above, the parties shall be obligated to submit the matter to binding arbitration in accordance with the procedures set forth in Section C.7 (subject to the limitations on the arbitrator's authority set forth in Section C.6.3 below) if the dispute concerns one or more of the following matters:

- C.6.2.1 a decision of WECC’s Board of Directors or a Committee of the Board acting on the recommendation of, or on a matter within the jurisdiction of, the Operating Transfer Capability Policy Group (“OTCPG”) or successor;
- C.6.2.2 a transmission path rating, or a modification to a transmission path rating, assigned to one or more transmission paths operated by a Member (or jointly operated by more than one Member);
- C.6.2.3 transmission access, pursuant to Sections 10.1.2, 10.1.3, and 10.5; or
- C.6.2.4 any matter that, by vote of both WECC’s Board of Directors and WECC’s Membership, is designated as a matter to be subject to the provisions of Section C.6.2 of these Bylaws, provided that any matter submitted to WECC’s Membership pursuant to this provision must be approved by at least the number of votes required to amend these Bylaws under Section 13.2.

C.6.3 Limitations on Arbitrator’s Authority with Respect to Matters Specified in Section C.6.2. Unless all of the parties to a dispute agree otherwise, an arbitrator rendering a decision with respect to any matter specified in Section C.6.2 above shall have no authority to consider or award remedies for past economic harm or damages of any kind, including without limitation actual or direct damages; indirect, consequential, or incidental damages; or exemplary or punitive damages. Nothing in this Section C.6.3 shall: (i) limit any rights that a party to a dispute concerning a matter specified in Section C.6.2 above may have to pursue legal claims for damages or other economic remedies after the arbitrator has rendered



his or her decision on that matter (within the scope of his or her authority under this Section C.6.3); or (ii) limit an arbitrator's authority under Section C.8 below to shift costs or impose monetary sanctions for "good cause" (as that term is defined in Section C.8).

C.6.4 Arbitration Decisions Not To Modify Underlying Rights and Obligations. Unless all of the parties to a dispute agree otherwise, the resolution through binding arbitration of any dispute governed by this Appendix C shall not have the effect of increasing, decreasing, or otherwise modifying WECC's or any Member's obligation to abide by, or ability to enforce or impose penalties or sanctions with respect to, any guidelines, criteria, standards, policies, procedures, decisions, or Bylaws of WECC or any limitation on the foregoing, whether established by law; regulation; judicial, executive, or administrative order, decree, or decision; tariff; contract; course of performance; treaty; or otherwise.

C.6.5 Laws Relating to Binding Arbitration. WECC and its Members recognize that some Members may be subject to laws (including without limitation United States federal or state laws, Canadian or provincial laws, or Mexican laws) that limit or define those Members' ability to agree in advance to be subject to binding arbitration. If a Member has the right or obligation under applicable law to refuse to submit to binding arbitration in connection with any dispute that would otherwise be subject to binding arbitration under Section C.6.2 of these Bylaws, that Member shall not be obligated to comply with the binding arbitration procedures set forth in Sections C.6 and C.7. Any Member subject to any law or other legally binding authority that may limit (or permit the Member to limit) its

obligation to comply with the provisions requiring binding arbitration under Sections C.6 and C.7 or to fully comply with a valid arbitrator's decision rendered in accordance with this Appendix C shall provide notice to this effect to all other disputing parties and WECC's Chief Executive Officer upon initiation of any dispute involving that Member if the dispute is subject to Section C.6.2. Upon receiving a notice under Section C.6.5, any other party to the dispute shall thereafter be relieved of any obligation to comply with the provisions Sections C.6 and C.7 in connection with that dispute, except to the extent that the Member giving notice agrees to be fully bound by procedures governing and results of any arbitration proceeding. If there are more than two parties to a dispute covered by the preceding sentence, however, then all parties to the dispute other than the party giving notice under Section C.6.5 shall make good faith efforts to establish a mutually acceptable approach for resolving among themselves whatever aspects of the dispute can reasonably be resolved through the procedures set forth in this Appendix C without the participation of the party giving notice under Section C.6.5. If any Member fails to submit to binding arbitration, or fails to abide by a valid arbitrator's decision rendered in accordance with this Appendix C, that Member shall thereafter have no right to enforce any of the provisions of Section C.6.2 (concerning obligations to submit specified disputes to binding arbitration) against any other Member or WECC until such time as the WECC Board of Directors, or a delegate designated by the Board, determines that it is appropriate to restore the Member's ability to enforce the provisions of Section C.6.2.

C.6.6 Consistency with Laws, Regulatory Jurisdiction and Orders, Etc. Nothing contained in this Appendix C and no arbitrator's decision rendered in accordance with Section C.7 shall be construed to require or shall otherwise operate to cause any Member or WECC to incur any obligation or take any action that is contrary to: (i) any applicable law or regulation; (ii) any applicable authority, order, decree, rule, or decision of a regulatory, judicial, administrative, executive, or other governmental body having jurisdiction over one or more of the matters or parties subject to this Appendix C or covered by an arbitrator's decision; or (iii) any applicable rate schedule, tariff, treaty, or valid, pre-existing contractual obligation with which any party subject to this Appendix C or covered by an arbitrator's decision is legally obligated to comply.

C.7 Arbitration Procedures.

C.7.1 Notice to WECC of Initiation of Binding Arbitration. Within 10 calendar days after all of the parties to a dispute have agreed (or become obligated under Section C.6.2 above) to submit the dispute to binding arbitration under Sections C.6 and C.7, the parties to the dispute shall deliver written notice to WECC's Chief Executive Officer (an "Arbitration Notice").

C.7.1.1 The Arbitration Notice shall: (i) include a brief, general description of the issues to be arbitrated; and (ii) identify all parties who have agreed (or become obligated) to submit the dispute to binding arbitration under Sections C.6 and C.7.

C.7.1.2 Within five business days of receiving an Arbitration Notice, WECC's Chief Executive Officer shall: (a) publish (or cause to be published) in

WECC's newsletter or on its electronic bulletin board a notice containing a list of the parties to the arbitration and the parties' brief, general description of the issues to be arbitrated; and (b) deliver to each party to the dispute a copy of WECC's then-current standing list of qualified arbitrators, knowledgeable in matters addressed by WECC (as approved by the Board of Directors).

C.7.1.3 No person may be listed on WECC's standing list of qualified arbitrators unless the person has agreed to: (a) disclose, at any time the person is selected to serve as a arbitrator under this Appendix C, any personal or financial interest the arbitrator may have with respect to the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the arbitrator's immediate family members); (b) disclose any relationship the arbitrator may have with any party to the dispute that is not permitted under Section C.7.2 below; (c) assemble a complete record of the arbitration process and the materials received as evidence by the arbitrator if any of the parties to the dispute elect to appeal or contest the arbitrator's decision; and (d) abide by all applicable provisions of and procedures specified by Sections C.6 and C.7.

C.7.2 Selection of an Arbitrator. Within 10 calendar days after all of the parties to a dispute have agreed (or become obligated) to submit the dispute to binding arbitration under Sections C.6 and C.7, the parties to the dispute shall select an arbitrator by mutual agreement. If the parties cannot agree on an arbitrator within

10 calendar days after agreeing to arbitrate their dispute, the arbitrator shall be selected from WECC's standing list of qualified arbitrators as follows: The parties to the dispute shall take turns striking names from WECC's standing list of qualified arbitrators until there is only one name remaining. (The parties to the dispute shall draw lots to determine the order in which they take turns striking names.) The last person whose name remains on the list shall serve as the arbitrator. No arbitrator other than an arbitrator chosen by agreement of all the parties to the dispute may (i) have a personal or financial interest in the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the arbitrator's immediate family members); or (ii) be (or have an immediate family member who is) a past or present director, commissioner, officer, employee, consultant, agent, or other representative of any of the parties to the dispute. If the arbitrator selected through the process of striking names specified above is disqualified under the preceding sentence, the arbitrator whose name was stricken last shall serve in his or her place.

C.7.3 Initial Statements and Proposed Arbitration Decisions. Within 10 calendar days after the selection of an arbitrator under Section C.7.2 above, each party to the dispute shall submit a statement in writing to all other parties to the dispute and to the arbitrator. Each disputing party's statement shall set forth in reasonable detail the nature of the dispute, the issues to be arbitrated, and the party's reasonable, good faith proposal for resolving the dispute. As provided in Section C.5.3 above, to the extent permitted by law, no party to an arbitration conducted under

Sections C.6 and C.7 shall publicly disclose, rely on, or introduce as evidence in any arbitration, FERC proceeding, Canadian Regulatory Authority proceeding, proceeding before a Mexican Regulatory Authority, appeal, or litigation concerning the same or any related dispute any information required to be kept confidential by the terms of Section C.5.3.

C.7.4 Procedural Matters. The arbitrator shall determine discovery procedures, how evidence shall be taken, what written submittals may be made, and other such procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed and the extent to which the credibility of witnesses is relevant to a resolution. Each party to the dispute shall produce all evidence determined by the arbitrator to be relevant and material to the issues presented. If such evidence involves proprietary or confidential information, the party submitting the evidence shall petition the arbitrator for a protective order, and to the extent the arbitrator determines there is good cause the arbitrator shall issue an appropriate protective order and all parties to the dispute shall comply with the protective order. The arbitrator may elect to resolve the arbitration matter solely on the basis of written evidence and arguments.

C.7.5 Out-of-Court Sworn Testimony. At the request of any disputing party, the arbitrator shall have the discretion to allow that party to examine witnesses through sworn out-of-court testimony (referred to in the United States as “deposition” and in Canada as “discovery”) to the extent the arbitrator deems the evidence sought to be relevant and appropriate. In general, out-of-court witness examinations shall be limited to a maximum of three per party and shall be held

within 30 calendar days after the making of a request. Each witness examination shall be limited to a maximum of three hours' duration. The arbitrator shall have the discretion to permit the number and duration of examination sessions allowed under this Section C.7.5 to be increased, and to extend the 30-day time limit, upon request for good cause shown. All objections are reserved for the arbitration hearing except for objections based on privilege and proprietary or confidential information.

C.7.6 Intervention by Other Parties. Unless all of the parties to the dispute agree otherwise, no one (whether a Member, WECC, or any other entity or person) that is not a party to a dispute at the initiation of arbitration under Sections C.6 and C.7 shall have the right to intervene in the arbitration. Any party wishing to intervene in an arbitration under Sections C.6 and C.7 may petition the arbitrator for permission to intervene, provided that the petition is submitted to the arbitrator not more than 30 calendar days after notice of the arbitration is posted by WECC's Chief Executive Officer in accordance with Section C.7.1. The arbitrator shall have the discretion to permit a party to intervene if the arbitrator determines that the party petitioning to intervene has a direct and substantial interest in the outcome of the arbitration. In exercising his or her discretion concerning a requested intervention, the arbitrator shall also consider any additional complexity or delay that may be caused by allowing the intervention and also any other remedies available to the party requesting intervention. Any party that is granted the privilege of intervening in an arbitration under Sections C.6 and C.7 shall be permitted to intervene subject to the same terms, conditions,

limitations, rights, and obligations of all other parties to the dispute, including without limitation the binding effect of arbitrator's decision, limitations on rights of appeal, the obligation to share equally in the costs of the arbitrator, and the obligation to be subject to the provisions of Section C.8.

C.7.7 Consideration of WECC Criteria, Etc. The Arbitrator shall give due consideration to the reliability criteria, standards, guidelines, policies, and procedures of WECC and the North American Electric Reliability Council (or any successor organization) to the extent they are relevant to resolution of the matter(s) in dispute. If the arbitrator's decision will include interpretation of any of WECC's reliability criteria, standards, guidelines, policies, and procedures, (and WECC is not a party to the arbitration), the arbitrator shall, before rendering his or her decision, consult with WECC (subject to the provisions of Section C.7.10 below) concerning the interpretation of WECC's applicable reliability criteria, standards, guidelines, policies, and procedures.

C.7.8 Evidence and Rebuttal. The arbitrator shall consider all issues material to the matter(s) in dispute. The arbitrator shall take evidence submitted by the parties to the dispute in accordance with procedures established by the arbitrator and may request additional information the arbitrator deems material to the resolution of the dispute. With the consent of all parties to the dispute, the arbitrator's request for additional information may include the opinion of any individual or organization with recognized expertise in the matter(s) in dispute, subject to the following conditions: (i) any verbal communication with an expert consulted by the arbitrator must take place exclusively in the presence of all parties to the



dispute and copies of any written communications must be provided to all parties to the dispute; (ii) any expert consulted by the arbitrator must agree to be equally available upon request to all of the parties to the dispute; (iii) any expert consulted by the arbitrator must agree to comply with the restrictions on disclosure contained in Section C.5.3; and (iv) all parties to the dispute shall be afforded a reasonable opportunity to question the expert and to rebut any additional information submitted by the expert at the request of the arbitrator.

C.7.9 Arbitrator's Decision. The arbitrator shall make all reasonable efforts to complete hearings (if applicable) and submissions of written evidence not more than 90 calendar days after receiving initial statements submitted under Section C.7.3 above. As soon as practicable, but in no event more than 30 calendar days after the completion of hearings and evidence submittals, the arbitrator shall render his or her final decision for resolving the dispute. By agreement of all of the parties to the dispute or at the discretion of the arbitrator for good cause, the foregoing deadline for delivery of the arbitrator's decision may be extended. The arbitrator's decision shall be based on the arbitrator's good faith determination of a resolution that will: (i) be consistent with any laws, rules, and regulations applicable to the matter(s) in dispute; (ii) be consistent with any valid pre-existing agreements among the parties to the dispute that bear on the matter(s) in dispute; (iii) not require any party to the dispute to take action that is not in compliance with any of WECC's reliability criteria, standards, guidelines, policies, and procedures; and (iv) best serve to promote or maintain reliable operation of the interconnected Bulk Electric System of the Western Interconnection, without

imposing inequitable burdens or benefits on any of the parties to the dispute or others that may be affected by implementation of the arbitrator's decision. The arbitrator shall deliver to each of the parties to the dispute, along with his or her decision, a written statement including specific findings of fact, conclusions of law (if applicable), and an explanation of the arbitrator's basis for rendering his or her decision. Subject to any protective order that may have been issued under Section C.7.4 above, WECC's Chief Executive Officer shall publish (or cause to be published) in WECC's newsletter or electronic bulletin board a brief summary of the arbitrator's decision. An arbitrator's decision that is not appealed shall not be deemed to be precedential in any other arbitration related to a different dispute.

C.7.10 WECC Staff Participation in Arbitration When WECC Not a Party. If, during the course of binding arbitration conducted under Sections C.6 and C.7 (in which WECC is not a party) the arbitrator or any party to the dispute wishes to solicit the views of WECC staff concerning the application, implementation, interpretation, or fulfillment of any guidelines, criteria, standards, policies, or procedures of WECC, the arbitrator may request or permit the submission of WECC staff views only with the consent of all of the parties to the dispute and only if: (i) any participation by WECC staff takes place exclusively in the presence of all parties to the dispute; (ii) participating WECC staff members agree to be equally available upon request to all parties to the dispute; and (iii) participating WECC staff members agree to comply with the restrictions on disclosure contained in Section C.5.3.

C.7.11 Compliance and Costs. Unless one or more of the parties to the dispute initiates and notifies all other parties to the dispute that it has initiated a process to contest or appeal the arbitrator's decision under Sections C.9 through C.13, upon the decision by the arbitrator, the parties to the dispute shall, within the time frame specified by the arbitrator, and, subject to Section C.6.6 above, take whatever action is required to comply with the arbitrator's decision to the extent the arbitrator's decision does not require regulatory action. To the extent the arbitrator's decision affects jurisdictional rates, terms and conditions of service, or facilities or otherwise requires local, state, federal, or provincial approval or regulatory action, or a FERC filing or a Canadian Regulatory Authority filing by a Canadian Member or a Mexican Regulatory Authority filing by a Mexican Member, the affected Member (or WECC, if WECC is the party with the obligation to seek regulatory action) shall, within the time frame specified by the arbitrator, submit the arbitrator's decision or an appropriate filing to implement the arbitrator's decision and support the appropriate authority's acceptance or approval of the arbitrator's decision or implementation filing, except in cases where any party to the dispute has given notice of its intent to contest or appeal the arbitrator's decision. All costs associated with the arbitration (not including costs associated with attorney and expert witness fees incurred by the parties to the dispute) shall be divided equally among the parties to the dispute unless: (i) all of the parties to the dispute agree to an alternate method of allocating costs; or (ii) in rendering his or her decision, the arbitrator exercises his or her discretion

under Section C.8 below to assess fees, costs, or other monetary sanctions against one or more of the parties to the dispute for good cause.

- C.7.12 Entry of Judgment. At any time after an arbitrator has rendered his or her decision in an arbitration conducted under Sections C.6 and C.7 (provided that the time provided for initiating an appeal under Sections C.11.1 and C.12 below has expired and no appeal or other means of contesting the arbitrator’s decision has been initiated), judgment on the decision rendered by the arbitrator may be entered by any court of competent jurisdiction (subject to the provisions of Sections C.6.3, C.6.4, and C.6.6 above). If the award is against the United States, a party to the arbitration may apply to the United States District Court for the district in which the principal office of the applicable United States department or agency is located for an order confirming the award pursuant to 5 U.S.C. § 580.
- C.8 Arbitrator’s Discretion to Shift Costs or Impose Sanctions for Cause. Each party to any dispute submitted to arbitration under Sections C.6 and C.7 shall bear its own costs and fees associated with representation and participation in the arbitration process, and shall share equally in the arbitrator’s fees except that the arbitrator shall have the discretion, to the extent permitted by law, to require one or more of the parties to the dispute to pay part or all of the costs and fees (including without limitation attorneys’ and arbitrator’s fees) of one or more other parties to the dispute, or to impose monetary sanctions on some other basis that is reasonable under the circumstances, for good cause. As used in this Section C.8, “good cause” means conduct involving serious abuse of or failure to comply with the dispute resolution process set forth in this Appendix C, willfully undertaken to harass or delay other parties to the dispute or to substantially impede the

arbitrator's ability to render a decision consistent with the provisions set forth in Section C.7.9.

C.9 Rights to Appeal Arbitration Decisions. Except to the extent otherwise provided by applicable United States state or federal law, applicable Canadian or provincial law, or applicable Mexican law, a party to a dispute resolved by arbitration under Sections C.6 and C.7 may appeal or contest the arbitrator's decision only on one or more of the bases specified in Section C.9.1 below and only in accordance with the procedures set forth in Sections C.9.2 through C.13.

C.9.1 Grounds for Appealing Arbitration Decisions. A party to a dispute resolved by arbitration under Sections C.6 and C.7 may contest or appeal the arbitrator's decision only on the basis that: (i) the arbitrator's decision is contrary to applicable law or regulation (including without limitation the FPA or FERC's then-applicable standards or policies, or comparable types of provisions that may apply under applicable Canadian, provincial, Mexican, or other laws and regulations); (ii) the arbitrator's decision is demonstrably arbitrary and capricious and without support in the record assembled during the arbitration; (iii) the arbitrator failed to afford one or more parties to the dispute an opportunity for a fair and meaningful hearing; (iv) the arbitrator engaged in serious misconduct in connection with the arbitration; (v) the arbitrator exceeded the authority conferred upon him or her under this Appendix C or as otherwise established by agreement of all the parties to the dispute; or (vi) the arbitrator's decision is contrary to the provisions of Section C.6.6.

C.9.2 Matter and One or More Parties to Dispute Subject to FERC Jurisdiction. If (i) the subject matter of a dispute arbitrated under Sections C.6 and C.7 is within the jurisdiction of FERC, and (ii) the conditions specified in Section C.12.1 or C.12.2 are satisfied, the rights of the parties to contest or appeal the arbitrator's decision shall be as set forth in Sections C.10 and C.12 below (subject also to the provisions of Section C.9.1 above). Notwithstanding the foregoing, nothing herein shall be construed or operate to require any Canadian or Mexican party or any other party that is not a "public utility" within the meaning of the FPA to make any filing with FERC under Sections 205 or 206 of the FPA.

C.9.3 All Parties and Matters in Dispute Subject to Jurisdiction of a Canadian Regulatory Authority. If all of the parties to an arbitrated dispute are subject to the jurisdiction of a particular Canadian Regulatory Authority, and if all matters in dispute are also subject to the jurisdiction of the same Canadian Regulatory Authority, any disputing party may appeal an arbitrator's decision to that Canadian Regulatory Authority, where such Canadian Regulatory Authority has jurisdiction to hear the appeal, or to the appropriate Canadian court. Any appeal to a Canadian Regulatory Authority or Canadian court shall be subject to the provisions set forth in Sections C.10 and C.11 below.

C.9.4 All Parties and the Matter in Dispute Subject to Jurisdiction of a Mexican Regulatory Authority. If all of the parties to an arbitrated dispute are subject to the jurisdiction of a particular Mexican Regulatory Authority, and if all matters in dispute are also subject to the jurisdiction of the same Mexican Regulatory Authority, any disputing party may appeal an arbitrator's decision to the

appropriate Mexican Regulatory Authority, subject to the provisions set forth in Sections C.10 and C.11 below.

- C.9.5 Appeal to Court. If none of the preceding provisions concerning appealing or contesting an arbitrator's decision before FERC, a Canadian Regulatory Authority, or a Mexican Regulatory Authority apply to an arbitrated dispute, any party to an arbitrator's decision rendered in accordance with the provisions of Sections C.6 and C.7 may appeal the arbitrator's decision to a court of competent jurisdiction as provided under Section C.13 below.
- C.10 Appealing or Contesting Arbitrator's Decision to FERC or a Presiding Authority. Subject to the conditions specified in Sections C.9.1 through C.9.5 above, any disputing party may appeal or contest an arbitrator's decision to FERC or an appropriate Presiding Authority as follows:
- C.10.1 Record on Appeal. Except as otherwise provided in Section C.10.3 below, any appeal or action to contest an arbitrator's decision to FERC or a Presiding Authority shall be based solely upon the record assembled by the arbitrator. All parties to arbitrations conducted under Sections C.6 and C.7 intend that: (i) the FERC or other Presiding Authority should afford substantial deference to the factual findings of the arbitrator; (ii) the portion, if any, of the arbitrator's decision relating to issues not of first impression (i.e., matters previously decided by the FERC or other Presiding Authority or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by the FERC or other Presiding Authority; and (iii) the

portion, if any, of the arbitrator's decision relating to issues of first impression should be afforded no deference by the FERC or other Presiding Authority.

C.10.2 No Expansion of Record on Appeal. Except as otherwise provided in Section C.10.3 below, no Member, non-Member, or WECC that has been a party to an arbitration under Sections C.6 and C.7 shall seek to expand the factual record before FERC or a Presiding Authority beyond that assembled by the arbitrator.

C.10.3 Exceptions to Limitations on Record on Appeal. If the arbitrator fails to assemble a complete record of the evidence submitted with respect to an arbitrated decision that is appealed pursuant to Sections C.9 through C.13, the parties to the appeal shall, notwithstanding the provisions of Sections C.10.1 and C.10.2 above, have the right to supplement the arbitrator's record before FERC or the Presiding Authority with any materials received into evidence by the arbitrator but omitted from the record assembled by the arbitrator. If an arbitrator's decision is appealed under Section C.9.1(iii) or (iv) above on the grounds that the arbitrator improperly excluded evidence so as to materially prejudice the outcome of the arbitration with respect to one or more of the parties to the dispute, any party to the appeal may submit the evidence asserted to be improperly excluded, but only as a basis to request that FERC or the Presiding Authority vacate the arbitrator's decision and remand the matter to the arbitrator (or, if FERC or the Presiding Authority determines that the arbitrator engaged in serious misconduct, to a newly selected arbitrator) for reconsideration of the matter with inclusion of the improperly excluded evidence. If an arbitrator's decision is appealed under Section C.9.1(iv)



above on the grounds of serious misconduct by the arbitrator, any party to the appeal may offer new evidence relating to the arbitrator's alleged misconduct.

C.11 Procedures for Appeals to Presiding Authority. If any party to an arbitration under Sections C.6 and C.7 desires to appeal an arbitrator's decision to an appropriate Presiding Authority, it shall provide written notice to that effect to all other parties to the arbitration, the arbitrator, and WECC's Chief Executive Officer within 14 calendar days following the date of the arbitrator's decision. If notice of appeal is timely provided:

C.11.1 Within 30 calendar days after the date of the appealing party's first notice of appeal, the party providing notice of appeal shall file its statement of position regarding the appeal with the Presiding Authority, together with the complete evidentiary record of the arbitration and a copy of the arbitrator's decision. The statement of position shall state that the appeal requested has been the subject of an arbitration pursuant to this Agreement.

C.11.2 Within 30 calendar days after the date of the appealing party's first notice of appeal, any other party that was a party to the arbitration may file its statement of position regarding the appeal with the Presiding Authority.

C.11.3 Copies of all materials filed with the Presiding Authority by any party during the course of an appeal shall be delivered to all other parties to the arbitration and to WECC's Chief Executive Officer.

C.11.4 Implementation of the arbitrator's decision shall be deemed stayed pending an appeal unless and until, at the request of a disputing party, the Presiding Authority issues an order shortening or extending the stay of implementation.

C.11.5 WECC's Chief Executive Officer shall publish (or cause to be published) a summary of each appeal in WECC's newsletter or electronic bulletin board.

C.11.6 The Members and WECC intend that any Presiding Authority's order resulting from an appeal under Sections C.9 and C.11 shall be subject to judicial review pursuant to laws governing the Presiding Authority and the matter in dispute that provide for judicial review of Presiding Authority action.

C.12 Procedures for Contesting or Appealing Arbitrator's Decision Before FERC. If any party to a dispute arbitrated under Sections C.6 and C.7 elects, subject to the limitations set forth in Sections C.9.1 through C.9.5 above, to contest or appeal an arbitrator's decision before FERC, the party so electing shall provide written notice to that effect to all other parties to the arbitration, the arbitrator, and WECC's Chief Executive Officer within 14 calendar days following the date of the arbitrator's decision. The provisions contained in Sections C.10.1, C.10.2, and C.10.3 above shall apply with respect to the record of the arbitration submitted to FERC. In addition, the following provisions shall apply:

C.12.1 FERC Filing by Prevailing Party. If the arbitrator's decision requires the prevailing party to take action that must have FERC approval or involves the provision of FERC-jurisdictional service by the prevailing party, the prevailing party shall file the arbitrator's decision or make an appropriate filing with FERC to implement the arbitrator's decision. Provided that it has given notice as required under Section C.12 above, any non-prevailing party may contest the prevailing party's filing in accordance with FERC's applicable rules and regulations.

C.12.2 Complaint to FERC by Prevailing Party. If the arbitrator’s decision requires a non-prevailing party to take action that must have FERC approval or involves the provision of FERC-jurisdictional service by any non-prevailing party, then, if the non-prevailing party has given notice as required under Section C.12 above, the prevailing party may submit the arbitrator’s decision to FERC in the form of a complaint.

C.13 Appeal to Court. If none of the provisions that govern appealing or contesting an arbitrator’s decision before FERC, a Canadian Regulatory Authority, or a Mexican Regulatory Authority as set forth in Sections C.9.2, C.9.3, or C.9.4 above apply, any disputing party may appeal an arbitrator’s decision to any court of competent jurisdiction, subject to the conditions specified in Section C.9.1 above. Except as otherwise provided in Section C.10.3 above (substituting the words “court of competent jurisdiction” for “FERC or the Presiding Authority”), any appeal to a court shall be based solely upon the record assembled by the arbitrator, and no Member, non-Member, or WECC who is a party to an arbitration under Sections C.6 and C.7 shall seek to expand the factual record before the court beyond that assembled by the arbitrator.

## **Appendix of Additional Definitions Relating to Alternative Dispute Resolution Provisions**

Arbitration Notice has the meaning specified in Section C.7.1 of these Bylaws.

Canadian Regulatory Authority. The agency or agencies established under the laws of Canada or the applicable Provinces of Canada and having jurisdiction over facilities, interconnections, transmission rates, charges, terms, and conditions of service of a Canadian Member.

Dispute Notice has the meaning specified in Section C.5.1 of these Bylaws.

FERC. The Federal Energy Regulatory Commission or a successor agency.

FPA. The Federal Power Act (16 U.S.C. §§ 824 *et. seq.*), as it may be amended from time to time.

Mexican Regulatory Authority. The agency or agencies established under the laws of Mexico or the applicable states of Mexico and having jurisdiction over facilities, interconnections, transmission rates, charges, terms, and conditions of service of a Mexican Member.

Presiding Authority. As used in Sections C.10 and C.11, the term “Presiding Authority” has the following meanings: with respect to an appeal to an appropriate Canadian Regulatory Authority, “Presiding Authority” means the presiding Canadian Regulatory Authority or Canadian court with jurisdiction to hear the appeal; and with respect to an appeal to an appropriate Mexican Regulatory Authority, “Presiding Authority” means the presiding Mexican Regulatory Authority or Mexican court with jurisdiction to hear the appeal.

**Attachment 4**

**Bylaws -**

**Amended Exhibit of the Delegation Agreement Between  
North American Electric Reliability Corporation and  
Western Electricity Coordinating Council - B**

**Redline Version**

**BYLAWS**  
**OF**  
**THE**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**

## TABLE OF CONTENTS

1.	Vision and Mission.....	1
1.1	Vision.....	1
1.2	Mission .....	1
2.	Furtherance of WECC’s Mission.....	1
2.1	Activities to Carry Out WECC’s Mission. ....	1
2.2	Organizational Characteristics.....	3
3.	Definitions.....	4
3.1	Affiliate.....	4
3.2	Annual Meeting. ....	4
3.3	Applicable Regulatory Authority. ....	4
3.4	Backstop Authority.....	4
3.5	Balancing Authority. ....	5
3.6	Ballot Body.....	5
3.7	<del>Ballot Pool</del> .....	5
3.87	Board of Directors (Board).....	5
3.98	Class.....	5
3.940	Commercial Practices. ....	5
3.104	Compliance Hearing Body. ....	5
3.112	Delegation Agreement.....	5
3.123	Director.....	65
3.134	Electric Line of Business.....	6
3.145	Electric Reliability Organization (ERO). ....	6
3.156	Entity. ....	6
3.167	FERC. ....	6
3.178	Grid Operating Entity. ....	6
3.189	International Reliability Agreement. ....	6
3.1920	..... Local Regional Entity.	
6		
3.204	Market Interface. ....	6

3.2 <del>12</del>	Material External Impacts (MEI).....	76
3.2 <del>23</del>	Member.....	76
3.2 <del>34</del>	Participating Stakeholder.....	7
3.2 <del>45</del>	Primary Authority.....	7
3.2 <del>56</del>	Regional Criteria.....	7
3.2 <del>67</del>	Regional Entity (RE).....	7
3.2 <del>78</del>	Registered Entity.....	7
3.2 <del>89</del>	Reliability Management System.....	7
3.2 <del>930</del>	.....Reliability Standard.	
	7	
3.3 <del>04</del>	Reliability Standards Development Procedures.....	87
3.3 <del>12</del>	Transmission Facilities.....	87
3.3 <del>23</del>	Western Interconnection.....	8
4.	Members and Membership.....	8
4.1	Voluntary Membership.....	8
4.2	Eligibility for Membership.....	8
4.3	Designation of Membership Class.....	9
4.4	Changes in Membership Class.....	9
4.5	Affiliates and Distinct Business Entities.....	9
4.6	Rights and Obligations of Membership.....	10
4.7	Limitations on Member Obligations.....	11
4.8	Compliance and Enforcement.....	12
4.9	WECC Structure and Governance Review.....	13 <del>2</del>
5.	Procedures for Member Decisions.....	13
5.1	Quorum and Alternative Voting.....	13
5.2	General Membership Meetings.....	14 <del>3</del>
5.3	Annual Member Meetings.....	14
5.4	Special Member Meetings.....	14
5.5	Member Class and Subclass Meetings.....	14
5.6	Notice of Member Meetings.....	14
5.7	Open Meetings.....	15



5.8	Policymaking Authority. ....	15
5.9	Minimum Participation Requirement. ....	15
6.	Governance. ....	15
6.1	Board of Directors. ....	16
6.2	Composition of the Board and Board Member Qualifications. ....	165
6.3	Term of Office. ....	18
6.4	Nomination, Selection and Compensation of Directors. ....	198
6.5	Removal of Directors. ....	210
6.6	Resignation. ....	21
6.7	Procedures for Filling Vacant Director Positions. ....	21
6.8	Duties of Directors. ....	22
6.9	Powers of Directors. ....	22
6.10	Delegation of Board Authority. ....	23
7.	Procedures for Board Decisions. ....	23
7.1	Quorum. ....	23
7.2	Majority Vote. ....	24
7.3	Attendance at Board Meetings by Teleconference. ....	243
7.4	Board Action by Unanimous Consent. ....	243
7.5	Notice of Board Meetings. ....	25
7.6	Open Meetings. ....	25
7.7	Board Committees. ....	26
8.	Member Committees. ....	27
8.1	Purpose. ....	276
8.2	Standing Committees. ....	276
8.3	Other Committees. ....	28
8.4	<del>[Repealed]. ....</del>	<del>28</del>
8.4	<del>Assessment of Standing Committee Activities. ....</del>	<del>28</del>
8.5	Procedures for Committee Decision-Making. ....	29
8.6	Procedures for Committees other than the Member Advisory Committee. ....	343
8.7	Procedures for Developing and Voting on Reliability Standards. ....	386
8.8	Notice of Committee Meetings. ....	4037

8.9	Open Meetings.....	40 <u>37</u>
9.	The Chief Executive Officer, Officers, and Employees. ....	41 <u>37</u>
9.1	Designation of Officers and Terms of Office.....	41 <u>37</u>
9.2	Chief Executive Officer Qualifications. ....	41 <u>38</u>
9.3	Standards Applicable to All Employees.....	41 <u>38</u>
9.4	Employment.....	42 <u>38</u>
9.5	Chief Executive Officer’s Duties. ....	42 <u>38</u>
9.6	Secretary’s Duties.....	42 <u>39</u>
10.	Dispute Resolution.....	42 <u>39</u>
11.	Costs and Finances.....	43 <u>39</u>
11.1	Funding of Reliability Activities. ....	43 <u>39</u>
11.2	Dues. ....	43 <u>40</u>
11.3	Funding of Non-Statutory Activities. ....	44 <u>41</u>
12.	Amendments to these Bylaws.....	44 <u>41</u>
12.1	Amendment by the Board.....	44 <u>41</u>
12.2	Amendment by the Members. ....	45 <u>41</u>
12.3	Amendments in Response to Mandatory Membership.....	45 <u>42</u>
12.4	Amendments proposed by FERC. ....	45 <u>42</u>
13.	Termination of Organization.....	45 <u>42</u>
14.	Miscellaneous Provisions.....	45 <u>42</u>
14.1	Limitation on Liability.....	45 <u>42</u>
14.2	Indemnification.....	46 <u>42</u>
14.3	No Third Party Beneficiaries. ....	46 <u>43</u>
14.4	Informal Inquiries for Information. ....	46 <u>43</u>
15.	Incorporation.....	46 <u>43</u>
16.	Governing Law. ....	46 <u>43</u>
17.	WECC Transition.....	47 <u>43</u>
17.1	Board of Directors transition. ....	47 <u>44</u>
17.2	Transition Exceptions.....	47 <u>44</u>
17.3	Member Advisory Committee transition.....	48 <u>44</u>



APPENDICES:

- A. Board Member Standards of Conduct
- B. Officers and Employees Standards of Conduct
- C. WECC Dispute Resolution Procedures

**BYLAWS**  
**Of**  
**The**  
**WESTERN ELECTRICITY COORDINATING COUNCIL**

**1. Vision and Mission.**

**1.1 Vision.**

The Western Electricity Coordinating Council (“WECC”) shall seek to achieve the appropriate level of Bulk Electric System reliability at least cost considering all costs throughout the economy.

**1.2 Mission**

WECC is a Utah nonprofit corporation with the mission to foster and promote reliability and efficient coordination in the Western Interconnection. WECC will lead the stakeholders in the Western Interconnection to achieve appropriate system reliability, be the premier source of unbiased information, and serve as the trusted thought leader for the Western Interconnection by providing, consistent with these Bylaws: 1) impartial independent review and analysis of reliability issues impacting the Western Interconnection 2) development of electric reliability standards incorporating Western Interconnection experience and knowledge; 3) consistent and fair monitoring and enforcement activities for compliance with reliability standards; 4) event analysis and lessons-learned from system events; and 5) value for its membership through cost effective and efficient services and practices through: a) being a centralized repository of reliable information relating to the planning and operation of the Bulk Electric System in the Western Interconnection, b) coordinating system planning and modeling, c) sharing of, and providing comment on adherence to, recognized industry best practices, d) facilitating resolution of market seams and coordination issues, e) secure sharing of critical reliability data, and f) providing a robust stakeholder forum.

**2. Furtherance of WECC’s Mission**

**2.1 Activities to Carry Out WECC’s Mission.**

2.1.1 Compliance with the Federal Power Act. WECC will carry out responsibilities and exercise rights of a Regional Entity organized on an interconnection-wide basis pursuant to Section 215 of the Federal Power Act, including any responsibilities and rights delegated to it by the ERO pursuant to a Delegation Agreement.

- 2.1.2 Agreements with Canada and Mexico. WECC will carry out responsibilities and exercise rights pursuant to International Reliability Agreements with Canadian or Mexican authorities.
- 2.1.3 Regional Coordination. WECC will act as a coordinating entity for the entire Western Interconnection for activities of regional organizations with responsibilities for reliability and market functions.
- 2.1.4 Standard Setting. WECC will develop and adopt reliability, operating, and planning standards, criteria and guidelines necessary to maintain the reliable operation of the Western Interconnection's interconnected Bulk Electric System, including seeking, as appropriate, variances from standards of the ERO (or any successor organization which may be created by legislation or otherwise), as well as providing a process for regional variances.
- 2.1.5 Certification of Grid Operating Entities. WECC will assist in certifying Grid Operating Entities in the Western Interconnection.
- 2.1.6 Reliability Assessment. WECC will ensure that interconnected Bulk Electric System reliability assessments are conducted as needed. WECC will do this work in conjunction with the Regional Entities to the greatest extent possible. WECC will also facilitate coordinated reliability assessments among Regional Entities.
- 2.1.7 Compliance Activities. With respect to enforcement of reliability standards, WECC will:
  - 2.1.7.1 implement the Reliability Management System in effect as of WECC's formation and as the Reliability Management System may be subsequently modified in accordance with its terms;
  - 2.1.7.2 implement any monitoring and enforcement mechanisms delegated to it pursuant to Section 215 of the Federal Power Act and any Delegation Agreement with the ERO, or required by any International Reliability Agreement with a Canadian or Mexican authority; and
  - 2.1.7.3 administer any other monitoring and enforcement mechanisms where WECC is designated to perform administration.
- 2.1.8 Coordinated Regional Planning. With respect to the coordination of regional planning activities, WECC:
  - 2.1.8.1 will develop coordinated planning policies and procedures for the Western Interconnection, including facilitation of market-based solutions, consistent with WECC/ERO standards and FERC policy.

- 2.1.8.2 will review and assess Local Regional Entity planning processes to determine whether WECC planning procedures have been satisfied;
- 2.1.8.3 will refer planning matters back to the originating Local Regional Entity for revision or other corrective actions when the WECC Board determines that WECC planning procedures have not been satisfied; and
- 2.1.8.4 may perform other interconnection-wide studies as needed.
- 2.1.9 Coordinated Operations. With respect to coordinating reliable operating activities within the Western Interconnection, WECC will develop, coordinate and promote consistent interregional operating policies and procedures for the Western Interconnection, consistent with WECC/ERO standards and FERC policy.
- 2.1.10 Market Interface Issues. With respect to Market Interface issues WECC will:
  - 2.1.10.1 facilitate development of compatible and efficient practices across the Western Interconnection; and
  - 2.1.10.2 exercise Backstop Authority where an unresolved Market Interface issue will cause Material External Impacts by taking some or all of the following actions: 1) providing a forum for and coordinating voluntary solutions among Members; 2) recommending specific solutions for voluntary adoption by Members; and 3) if necessary, proposing solutions to an Applicable Regulatory Authority.
- 2.1.11 Dispute Resolution. WECC will provide a process for the timely resolution of disputes between WECC Members as set forth in Section 11.

## **2.2 Organizational Characteristics.**

As WECC carries out activities to fulfill its mission, it will seek to develop and maintain the following characteristics:

- 2.2.1 dedication to serving the individuals, businesses, and other organizations that generate, transmit, distribute, market, and use electrical energy in the Western Interconnection;
- 2.2.2 efficiency in its administration, decision-making, policy and standards development, and dispute resolution processes;
- 2.2.3 the ability to maintain status as an Interconnection-wide regional reliability entity and be afforded deference and delegation by ERO (or successor organization); and

- 2.2.4 fair and open processes through which practices, policies, and standards are developed and implemented based on sound technical and policy analysis.
- 2.2.5 Promote an efficient western electric market by reducing or eliminating conflict, duplication and overlap among electric organizations in the Western Interconnection.
- 2.2.6 Allow access to WECC data by individuals who can demonstrate a legitimate business need for the data, provided such individuals agree to such protections and non-disclosure restrictions which may be necessary due to the nature of the data sought to be accessed and agree to pay the incremental costs of providing the data which may be requested.

### **3. Definitions.**

The capitalized terms used in these Bylaws shall have the meanings set forth below, or if not set forth below, shall have the meanings given them in the NERC Glossary of Terms Used in NERC Reliability Standards.

#### **3.1 Affiliate.**

An Entity that directly or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with, another Entity. An Entity “controls” any Entity in which it has the power to vote, directly or indirectly, 5% or more of the voting interests in such entity or, in the case of a partnership, if it is a general partner. Notwithstanding the foregoing definition, for purposes of these Bylaws: 1) electric distribution cooperatives that are member-owners of a generation and transmission cooperative are not Affiliates of the generation and transmission cooperative or of each other; 2) an entity controlled by or operating as a unit, agency, or subdivision of a local, state, provincial, or U.S. federal or Canadian or Mexican national government will not be considered an Affiliate of any other entity controlled by or operating as a unit, agency, or subdivision of a local, state, provincial, or federal government; 3) separate agencies of a single state or province, or of the U.S. federal or Canadian or Mexican national government will not be considered Affiliates of each other, regardless of any commonality of political control; 4) members of any joint powers authority, and such joint powers authority, will not be considered Affiliates of each other; and 5) members of an RTO will not be considered Affiliates of such RTO or of each other solely as a result of such membership.

#### **3.2 Annual Meeting.**

The annual membership meeting of WECC, as described in Section 5.3.

#### **3.3 Applicable Regulatory Authority.**

The FERC or any state or provincial government agency with jurisdiction to regulate or directly affect the transmission of electricity within the Western Interconnection.

#### **3.4 Backstop Authority.**



The ability, obligation, or responsibility of WECC to address an issue when the WECC Board determines that a Local Regional Entity(ies) holding Primary Authority has not resolved an issue, has created incompatible resolutions or has not acted. In each case where these Bylaws authorize WECC to exercise Backstop Authority, the provisions that authorize Backstop Authority will also specify the conditions necessary to trigger Backstop Authority and the actions that fall within WECC's exercise of Backstop Authority.

**3.5 Balancing Authority.**

The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

**3.6 Ballot Body.**

The Ballot Body consists of WECC members and non-members that have been determined eligible for the voting sectors described in [8.6.5.2the Reliability Standards Development Procedures](#) and may, therefore, vote on Regional Criteria and Regional Reliability Standards.

**~~Ballot Pool.~~**

~~A Ballot Pool consists of a self-selected set of members of the Ballot Body who join the Ballot Pool for a given Regional Criterion or Regional Reliability Standard during a designated window of opportunity provided by WECC either prior to balloting or prior to the close of balloting.~~

**3.7 Board of Directors (Board).**

WECC Board of Directors, collectively, as described in Section 6.

**3.8 Class.**

A grouping of Members described in Sections 4.2.1 through 4.2.7 and 4.3.

**3.9 Commercial Practices.**

The products and practices involved in trading electricity. The term "Commercial Practices" only refers to an interaction among market entities that does not affect or require assistance from Grid Operating Entities that have grid reliability responsibilities.

**3.10 Compliance Hearing Body.**

The hearing body used for the purpose of providing a balanced compliance panel to conduct hearings for the resolution of disputes concerning compliance with or enforcement of Reliability Standards that may arise between WECC (acting as Compliance Enforcement Authority for the Western Interconnection) and a Registered Entity.

**3.11 Delegation Agreement.**

An agreement between the ERO and WECC pursuant to Section 215 of the Federal Power Act by which the ERO delegates to WECC designated powers, rights and

- responsibilities regarding the administration within the Western Interconnection of electric Reliability Standards adopted or approved by the ERO and the FERC.
- 3.12 Director.**  
An individual member of the WECC's Board of Directors.
- 3.13 Electric Line of Business.**  
The generation, transmission, distribution, or trading of electricity or the provision of related energy services in the Western Interconnection.
- 3.14 Electric Reliability Organization (ERO).**  
The organization certified by FERC under 18 C.F.R. §39.3, the purpose of which is to establish and enforce Reliability Standards for the Bulk-Electric System in the United States, subject to FERC review.
- 3.15 Entity.**  
Any individual, person, corporation, partnership, association, governmental body or organization of any kind.
- 3.16 FERC.**  
The Federal Energy Regulatory Commission or any successor.
- 3.17 Grid Operating Entity.**  
Any operating entity, such as a Balancing Authority, that is certified pursuant to Section 2.1.5 of these Bylaws to be responsible for reliable operation of a portion of the Western Interconnection.
- 3.18 International Reliability Agreement.**  
An agreement between WECC and any appropriate Canadian or Mexican authority related to WECC's powers, rights and responsibilities regarding the administration of electric reliability standards applicable within such authority's geographic area of the Western Interconnection.
- 3.19 Local Regional Entity.**  
A regional transmission organization or some other formally or informally constituted regional organization or group within the Western Interconnection, including but not limited to a Balancing Authority, a group of Balancing Authorities acting in concert, or a group of Entities that own or operate Transmission Facilities acting in concert. These Local Regional Entity boundaries can be reevaluated or modified over time.
- 3.20 Market Interface.**  
Market Interface involves all interactions among market entities and Grid Operating Entities related to transmission service and physical delivery.

**3.21 Material External Impacts (MEI).**

Significant effects on another Local Regional Entity or market within the Western Interconnection but outside of the Local Regional Entity or market adopting a policy, standard, practice or procedure, or implementing an action.

**3.22 Member.**

Any entity that has applied and been accepted for membership in WECC and is current in the payment of dues.

**3.23 Participating Stakeholder.**

Any person or entity that is not a WECC Member, but is an interested stakeholder and has applied and been granted, pursuant to Section 8.7.2, the participation and voting rights set forth in Section 8.7.1.

**3.24 Primary Authority.**

The ability, obligation, or responsibility of an entity to address an issue in the first instance.

**3.25 Regional Criteria**

~~A WECC Board Approved document created to establish requirements to address NERC “fill-in-the-blank” reliability standards necessary to implement, to augment, or to comply with NERC or Regional Reliability Standards and any other documents that may precipitate attendant monitoring and compliance through the Compliance Monitoring and Enforcement Program in the United States, or by programs established by the Applicable Governmental Authority in Canada and Mexico, as applicable. New and revised Regional Criteria shall be established using the WECC Standards Development Procedures. The term Regional Criteria shall have the definition set forth in the NERC Rules of Procedure as may be amended from time to time.~~

**3.26 Regional Entity (RE).**

An entity having enforcement authority pursuant to 18 C.F.R. §39.8.

**3.27 Registered Entity.**

An owner, operator, or user of the Bulk-Electric System or the entities registered as their delegates for the purpose of compliance in the North American Electric Reliability Corporation Compliance Registry or similar Entity operating in Canada or Mexico and which could be registered in the Compliance Registry if it operated in the United States.

**3.28 Reliability Management System**

The contracts, separate from these Bylaws, by which Members and other parties agree to certain procedures and sanctions intended to enforce specified Reliability Practices to maintain reliable electric service throughout the Western Interconnection.

**3.29 Reliability Standard.**

A requirement approved by FERC under section 215 of the Federal Power Act, to provide for reliable operation of the Bulk-Electric System in the United States. Regional

Reliability Standards are specific to the Western Interconnection and shall be established using the WECC Standards Development Procedures.

**3.30 Reliability Standards Development Procedures.**

The process for developing and approving WECC Regional Reliability Standards (or its successor) attached as Exhibit C to the Delegation Agreement between WECC and North American Electric Reliability Corporation.

**3.31 Transmission Facilities.**

Those facilities that are defined as “transmission facilities” by FERC for purposes of the open access requirements of Section 210 and 211 of the Federal Power Act or any facilities which would be so defined if the Member were subject to FERC jurisdiction.

**3.32 Western Interconnection.**

The geographic area containing the synchronously operated electric transmission grid in the western part of North America, which includes in the United States Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington, as well as parts of Montana, Nebraska, New Mexico, South Dakota, Texas, Wyoming, and Colorado; parts of the Canadian Provinces of British Columbia and Alberta; and Baja California Norte, Mexico.

**4. Members and Membership.**

**4.1 Voluntary Membership.**

Except as otherwise may be required by applicable authority, membership in WECC is voluntary. A Member may withdraw upon giving the Secretary thirty (30) days’ advance written notice. Notwithstanding such notice of withdrawal, all contracts, FERC orders, unpaid Member costs, and decisions of arbitration in effect or pending as of the date of the written notice of withdrawal will be followed through to completion, pursuant to these Bylaws, by the withdrawing Member; however. Nothing herein will relieve any Member withdrawing from WECC from any obligation it may have under applicable law including, but not limited to, Section 215 of the Federal Power Act. A Member that withdraws is obligated to pay any unpaid dues owed through the remainder of the fiscal year in which its withdrawal becomes effective.

**4.2 Eligibility for Membership.**

Subject to Section 4.5, any Entity that is an interested stakeholder or that meets the criteria for membership in the membership classes described in Sections 4.2.1 through 4.2.5 may be a Member of WECC:

4.2.1 Class 1. Electric Line of Business Entities owning, controlling or operating more than 1000 circuit miles of transmission lines of 115 kV and higher voltages within the Western Interconnection.

4.2.2 Class 2. Electric Line of Business Entities owning, controlling or operating transmission or distribution lines, but not more than 1,000 circuit miles of transmission lines of 115 kV or greater, within the Western Interconnection.

- 4.2.3 Class 3. Electric Line of Business Entities doing business in the Western Interconnection that do not own, control or operate transmission or distribution lines in the Western Interconnection, including power marketers, independent power producers, load serving entities, any other Entities whose primary business is the provision of energy services, and those Entities that are not eligible for membership in the other Member Classes and who have a substantial interest in the purposes of WECC.
- 4.2.4 Class 4. End users of significant amounts of electricity in the Western Interconnection, including industrial, agricultural, commercial and retail entities as well as organizations in the Western Interconnection that represent the interests of a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public or the environment.
- 4.2.5 Class 5. Representatives of states and provinces in the Western Interconnection, provided that such representatives will have policy or regulatory roles and do not represent state or provincial agencies and departments whose function involves significant direct participation in the market as end users or in Electric Line of Business activities.
- 4.2.6 Sub-Class Organization. A Member Class may subdivide in up to three subclasses based on a majority desire within that class for purposes of electing Member Advisory Committee representation.

#### **4.3 Designation of Membership Class.**

A Member of WECC may not belong to more than one Class. An applicant for membership will designate the Class for which it qualifies based upon the criteria for membership set forth in Section 4.2, –however any Member owning, controlling or operating Transmission Facilities or distribution facilities must belong to Class 1 or 2 unless the Board grants the Member’s petition for a change in Member Class pursuant to the provisions of Section 4.4 of these Bylaws. Applications for membership will be submitted to WECC. WECC staff will review the application to verify eligibility for membership and Member Class designation. An applicant whose application has been rejected or any Member who disputes the WECC staff’s determination regarding the appropriate Member Class designation may request review by the Governance Committee. If the applicant or any Member disagrees with the Governance Committee’s decision, the applicant or such Member may appeal this decision to the Board.

#### **4.4 Changes in Membership Class.**

Notwithstanding any other provision of these Bylaws, upon a petition from a Member, the WECC staff (subject to review by the Governance Committee and appeal to the Board) may allow the Member to change Member Class if the interest of the Member is more closely aligned with the proposed Class than the Member’s current Class.

#### **4.5 Affiliates and Distinct Business Entities.**

An Affiliate of a Member that satisfies the membership qualifications may also become a Member provided:

- 4.5.1 The Affiliate applying for membership and the Member disclose to the Chief Executive Officer all Affiliates that are WECC Members and the Classes to which the Affiliates belong. Every Member will promptly notify the Chief Executive Officer whenever it becomes, or ceases to be, an Affiliate of any other Member.
- 4.5.2 Affiliates may be members of the same Class; provided, however, a group of Affiliates within a single Class may only have one vote in any WECC forum. Except as set forth in Section 8.7.6, Aa group of Affiliates within a single Class may, by providing, at least three (3) business days, advance written notice to the Chief Executive Officer, split their single vote equally amongst all Affiliates or designate a single Affiliate as the group's voting Member.
- 4.5.3 For good cause shown and with the express approval of the Board, a company or organization containing functionally distinct entities within it may obtain separate memberships for such entities; provided that such entities will be considered Affiliates.
- 4.5.4 The Board may adopt a policy regarding whether Members may share the benefits of membership (including the right to receive information that is only available to Members) with a non-member Affiliate.

~~Upon receiving applications from non-WECC members to join the Ballot Body, WECC staff shall require such non-WECC members to identify their affiliations with other Ballot Body members in their applications to join the Ballot Body. WECC staff shall limit voting of affiliated non-WECC members in the same manner that would be used to limit voting by WECC member organizations.~~

#### **4.6 Rights and Obligations of Membership.**

Except as otherwise provided in these Bylaws or other applicable authority, Members of WECC have the following general rights and obligations:

- 4.6.1 The right to elect and remove Directors as described in Section 6.5;
- 4.6.2 The right to amend these Bylaws, and to review and rescind any Board amendment of these Bylaws, in accordance with Section 12;
- 4.6.3 The right to receive appropriate meeting notices, as well as reports and information produced by WECC;
- 4.6.4 The right to attend, participate and vote in all WECC Member meetings and the right to attend Board meetings (other than closed sessions of Board meetings) and to comment upon all matters considered in such meetings;



- 4.6.5 The right to be a member of, attend meetings of, and to introduce motions, debate and to vote in the deliberations of WECC committees, subject to the limitations of these Bylaws and such other reasonable limitations as the Board may adopt from time to time;
- 4.6.6 The right to invoke the dispute resolution provisions of these Bylaws;
- 4.6.7 The right to petition the Board to take any action consistent with applicable law (including Section 215 of the Federal Power Act and implementing orders and regulations), these Bylaws and the articles of incorporation and to have such petition voted upon in a reasonable and timely manner;
- 4.6.8 The obligation to abide by these Bylaws, decisions resulting from the dispute resolution process, and all standards or decisions of WECC, subject to the exceptions set forth in Section 4.7 and the enforcement provisions of Section 4.8.
- 4.6.9 The obligation to notify the Chief Executive Officer promptly of changes with respect to Affiliates as provided in Section 4.5.1 of these Bylaws; and
- 4.6.10 The obligation to pay in a timely manner the membership dues pursuant to Section 11.
- 4.6.11 The obligation to provide system data that the Board has determined is necessary for WECC functions and does not impose an undue burden on the Members; provided, however, that the Board shall adopt appropriate limitations on this obligation or procedures that protect and avoid unnecessary collection of confidential, privileged, trade secret, cybersecurity or critical energy infrastructure information or other information that the Board determines merits such protection consistent with applicable law.
- 4.6.12 The obligation to support surfacing minority and majority opinions or views within their Member Class, along with supporting rationale to enable the Board of Directors to make decisions based on informed judgment aligned with WECC's vision, mission and these Bylaws.

#### **4.7 Limitations on Member Obligations.**

- 4.7.1 The obligation of Members pursuant to Section 4.6.8 will not require any Member to take any action which the Member in good faith determines: 1) would exceed the physical capabilities of the Member's electric system (or any part of another's electric system that the Member has the legal right to cause to comply with a WECC action governed by Section 4.6.8); 2) would create serious and immediate risks to public health or safety (provided, however, that the shedding of load shall not in and of itself be deemed a serious and immediate risk to public health and safety for the purpose of this section); 3) would create an immediate risk of serious damage to facilities or equipment within its electric system or cause it to

operate any of its electric facilities or equipment in an unsafe manner; 4) would cause the Member to violate or improperly implement an applicable law, regulation, rule, order, FERC license provision or other legal obligation; or 5) would conflict with any non-power requirement applicable to the Member (including without limitation any obligation under environmental laws, regulations, court and administrative decisions or biological opinions).

- 4.7.2 Each Member shall retain sole control of its facilities and the use thereof, and a Member shall not be required to construct or dedicate facilities for the benefit of any other Member, or be required to take action, or refrain from action, as may be deemed necessary to maintain reliable service to its own customers and/or to fulfill its obligations to third parties; provided, that a Member shall comply with duly-adopted reliability standards applicable to its system and shall comply with any directives under existing security coordination agreements. Nothing in these Bylaws is intended to preclude application of Section 210 or 211 of the Federal Power Act. The above limitations shall not be construed as altering a Member's obligation to comply with applicable Reliability Standards or enforcement orders, or any other obligation arising under 18 C.F.R. Part 39.

#### **4.8 Compliance and Enforcement.**

The power of WECC to enforce Member obligations other than compliance with Reliability Standards and other obligations arising under 18 C.F.R. Part 39 and applicable Canadian and Mexican regulatory requirements is limited to suspension or termination of membership as set forth in this Section; provided, however, that: 1) nothing in this Section will limit the power of Members to agree to additional enforcement provisions in separate contracts (such as contracts pursuant to the Reliability Management System); 2) nothing in this Section will limit the power of WECC to propose solutions regarding Market Interface issues to any Applicable Regulatory Authority as described in Section 2.1.10; and 3) nothing in this Section will limit WECC's delegated authority under Section 215 of the Federal Power Act and 18 C.F.R. Part 39 and applicable Canadian and Mexican regulatory requirements to enforce reliability standards and perform other delegated or contractual functions within the Western Interconnection. The Board may suspend or, to the extent consistent with applicable law, terminate the membership of any Member for a material failure to meet any obligation of membership set forth in these Bylaws, including, but not limited to: 1) non-payment of dues sixty (60) days after the dues become delinquent; 2) intentionally or repeatedly violating any WECC Bylaw; 3) materially breaching or intentionally violating any FERC order or arbitration decision issued pursuant to these Bylaws; 4) willfully obstructing any lawful purpose or activity of WECC; or 5) remaining inactive as described in Section 5.9. The Board will give the affected Member not less than twenty-one (21) days prior written notice of any proposed suspension or termination, which will include the specific basis for the proposed action and, if applicable, instructions on curing the problem. Prior to terminating a membership, the Board will consider any information provided by the Member in response to the notice described herein.



4.8.1 Suspension. The suspension of a Member will not affect the Member's rights and obligations other than that the Member will not be entitled to vote at any meeting of the Members, Classes, -subclasses, or any committee until the suspension is removed except that a suspended Member may participate in the WECC proposed Reliability Standards Development Procedure.

4.8.2 Termination. The termination of membership will have the same effect, and be subject to the same continuing obligations, as such Member's withdrawal pursuant to Section 4.1, except that it will be effective as of the issuance date of the notice provided pursuant to Section 4.8.

#### **4.9 WECC Structure and Governance Review.**

At least each five years, the Board of Directors will conduct a thorough assessment of whether WECC is fulfilling its purposes in a manner that is consistent with: 1) the provisions of Section 2.2 of these Bylaws; and 2) the then-current state and the expected future evolution of the electric power industry within the Western Interconnection. Unless determined otherwise by a majority vote of both the Board of Directors and the Members Advisory Committee (MAC), the initial review required under this Section 4.9 will commence after the completion of the first full year of operation under these Bylaws as amended in June 2013 and will be done collaboratively with the MAC and to the extent practical, will be coordinated with any similar structure and governance reviews being conducted by Peak Reliability. In particular, the Board will focus on whether the standards, obligations, processes, and decisions WECC imposes on its Members are timely, fair, effective, and reasonable in view of the commercial, legal, regulatory, and economic needs and objectives of the affected Members. The Board will evaluate WECC's Board composition, Member Class structure, committee structure and activities, and staff responsibilities as they relate to the foregoing considerations. The assessment required by this Section 4.9 will be accompanied by Board recommendations for any changes the Board determines are warranted by the assessment. The assessment and recommendations prepared by the Board in accordance with this Section 4.9 will be submitted in writing to the Members at the first annual Member meeting held after they are completed.

### **5. Procedures for Member Decisions.**

#### **5.1 Quorum and Alternative Voting.**

With the exception of voting on Regional Reliability Standards and Regional Criteria under the oversight of the WECC Standards Committee, members may conduct business and take votes only at duly noticed Member meetings. Members may not conduct any business of the membership as a whole at any meeting unless a quorum is first established.

5.1.1 Quorum. A majority of all Members, including a majority in at least three (3) Classes, will constitute a quorum for all meetings of the membership as a whole. A majority of the members of a Class or subclass will constitute a quorum for all Member Class or subclass meetings. Members participating through a designated alternative representative or through submission of an absentee ballot will be

counted in determination of a quorum. Inactive Members, as defined in Section 5.9 of these Bylaws, will not be counted in determining a quorum at Member, Member Class or subclass meetings. A quorum, once established, will be deemed to continue for the balance of any Member, Member Class, or subclass meeting, except that no election of Directors may occur without a quorum being present. Members may designate an alternate representative or submit an absentee ballot in a form consistent with Section 5.1.2 for any Member, Member Class, or subclass meeting.

5.1.2 Alternate or Absentee Voting: In the event that a Member's designated voting representative cannot attend a meeting of the Membership or a Member Class meeting where Directors are being elected or amendments to these Bylaws are considered, a Member may designate an alternate voting Member representative, with two (2) days written notice to the Corporate Secretary, or a Member may cast an absentee ballot pursuant to the procedures established by the Corporate Secretary.

**5.2 General Membership Meetings.**

All business of the Members acting as a whole will be conducted at meetings called by advance notice to all WECC Members provided in accordance with Section 5.5. Unless stated otherwise in these Bylaws, decisions at all meetings of the Members, Member Classes, or subclasses will be by simple majority vote of the Members present or otherwise represented in accordance with these Bylaws, with each Member having one vote, unless other Bylaw provisions provide for the allocation of the Member's vote. The Chair of the Board will preside over all Members acting-as-a-whole meetings.

**5.3 Annual Member Meetings.**

WECC will hold an Annual Meeting of all Members at a time and place determined by the Board. At the Annual Meeting, and at other times as provided for in these Bylaws, in addition to such other actions the Members may take, Member Classes will elect Directors for vacant director positions.

**5.4 Special Member Meetings.**

Members may hold special meetings whenever called by the Board. The Board will call special Member meetings whenever a majority of the Members of any Class request a special meeting or at such other times as it deems appropriate. The Chair of the Board will preside over all special Member meetings.

**5.5 Member Class and Subclass Meetings**

An individual WECC Member Class or subclass may hold a meeting for any purpose relevant to the interests of Class or subclass Members. Such meeting will be initiated by request by one or more Class or subclass Member(s), and agreement by at least fifty percent (50%) of Class or subclass Members.

**5.6 Notice of Member Meetings.**

- 5.6.1 Annual Meeting. The Chief Executive Officer will provide at least thirty (30) days' advance notice to all Members and the Board of the date, place and time of the Annual Meeting of the Members and an agenda of the business to be conducted at such meeting.
- 5.6.2 Other Member Meetings. The Chief Executive Officer will provide notice of regularly scheduled and special meetings of the Members to the Members not less than fifteen (15) days before the meeting if delivered by first-class mail, or not less than ten (10) days before the meeting if the notice is delivered personally, by telephone, by facsimile, electronic mail or express mail. If mailed, such notice will be deemed given when deposited in the United States mail, with first-class postage thereon prepaid, addressed to a Member. Such notice will state the date, time and place of the meeting and the meeting agenda.
- 5.6.3 Public and Website Notice. Public notice of each meeting of the Members will be placed on WECC's website at least ten (10) days before such meeting. In addition, the Chief Executive Officer will provide notice in the same manner and time as set forth in Section 5.6.2 of each meeting to each member of the public who so requests and who has provided appropriate information regarding delivery of notice.

**5.7 Open Meetings.**

All Membership meetings are open to observation by the public.

**5.8 Policymaking Authority.**

The Board of Directors may adopt policies for the interpretation and implementation of the meeting and voting procedures established in this Section 5.

**5.9 Minimum Participation Requirement.**

In order to be counted for quorum purposes at a meeting of the membership as a whole, Class, or subclass meeting, a WECC Member must actively participate (by attending in person, sending an alternate, or voting absentee) in at least one WECC meeting (including meetings of the Board, committees and subcommittees) each year. If the Member does not meet this minimum participation requirement, the Member will be considered an "inactive" Member until its active status is restored by participation in at least one WECC meeting (including meetings of the Board, committees and subcommittees) by attending in person, sending an alternate, or voting absentee. An inactive Member will not be counted toward establishing a quorum of the membership as a whole, of a Class, or of a subclass. An applicant for WECC membership or a WECC Member may at any time self-designate itself an inactive Member. Such designation will be effective until the Member is reinstated to "active" status. If a Member does not participate for twenty four (24) consecutive months, the Member's membership will be terminated. If a Member's membership is so terminated, reapplication for membership may be made at any subsequent time.

**6. Governance.**

## **6.1 Board of Directors.**

Subject to those matters expressly requiring approval of the Membership, a Board of Directors elected by the Members will govern WECC. The Board of Directors will elect its own Chair and Vice-Chair from those individuals serving as Directors.

## **6.2 Composition of the Board and Board Member Qualifications.**

6.2.1 The Board of Directors shall consist of nine (9) Directors. At all times, subject to temporary vacancies, the Board of Directors shall include at least three directors who have at least ten years of experience in the utility industry, preferably in the Western Interconnection, including at least one director who has transmission operations experience, at least one director who has transmission planning experience, and at least one director who has generation operations experience. At any time where the membership of the Member Advisory Committee (MAC) is modified, as may be provided in other provisions of these bylaws, to include representation for Entities of the two Canadian Provinces of British Columbia and Alberta and the Mexican State of Baja California, at least one Director, elected subsequent to such MAC representation, shall have international experience corresponding to such geographic area(s) and/or representation in the MAC.

6.2.2 The remaining members of the Board of Directors shall be selected in an effort to ensure diversity of background and experience. Desirable categories of experience may include: regulatory or legal; accounting, finance or economics; environmental; end-user advocacy; information technology; compliance or standards; public sector; and international.

6.2.2.1 Transmission operations experience shall preferably include experience in control center operations at the senior management or officer level.

6.2.2.2 Transmission planning experience shall preferably include experience in modeling and/or planning transmission facilities, including economic and reliability modeling at the senior management or officer level.

6.2.2.3 Generation operations experience shall preferably include experience in development or operation of generation facilities, including economic and reliability modeling at the senior management or officer level.

6.2.2.4 Regulatory or legal experience shall preferably include at least one of the following types of experience: state, provincial or federal industry regulation; significant litigation experience ideally at the appellate level; evaluation of complex legal arguments; and advising clients with respect to settlements.

6.2.2.5 Accounting, finance or economic experience shall preferably include experience as a Chief Financial Officer, a Chief Account Officer, a

Corporate Risk Officer, a Certified Public Accountant, or the equivalent thereof.

- 6.2.2.6 Environmental experience shall preferably include experience advocating environmental interests before local, state or federal agencies or boards, and/or leadership experience in representing environmental interests in relation to energy issues.
  - 6.2.2.7 End-user advocacy experience shall preferably include experience advocating end-user economic interests before local, state or federal ratemaking agencies or boards.
  - 6.2.2.8 Information technology experience shall preferably include experience as a senior level manager responsible for integrating information technology services with organizational needs in areas such as capacity planning, budget and finance, acquisition and deployment, operations, change management, application development, trade ally relationships, user support, data quality, security and similar areas.
  - 6.2.2.9 Compliance or standards experience shall preferably include experience as a senior level officer or manager for corporate compliance with internally and/or externally imposed requirements, rules or standards.
  - 6.2.2.10 Public sector experience shall preferably include experience representing the public interests with respect to energy issues.
  - 6.2.2.11 International experience shall preferably include experience as described in the previously listed experience categories, but in the Canadian provinces of British Columbia or Alberta, or the Mexican state of Baja California.
- 6.2.3 Director Affiliation Restrictions. A Director may not be a full time employee of a Registered Entity. Nor may a Director be affiliated with any Member or Registered Entity operating in the Western Interconnection, nor a Director of an entity performing the function of Reliability Coordinator in the Western Interconnection.
- 6.2.3.1 For the purposes of this section, “affiliated” shall mean (1) an employee of, (2) a contractor for, (3) an employee of a contractor for, or (4) an equity owner of Registered Entity or Member. For purposes of determining whether a Director is “affiliated” the term “Director” shall include a spouse and/or minor child of the Director.
  - 6.2.3.2 A Director with an equity interest in private or publicly traded companies that are end-users of electricity in the Western Interconnection but are not

otherwise “affiliated” pursuant to the restrictions set forth in Section 6.2.2 shall not be considered to be “affiliated”.

6.2.3.3 A Director with an equity ownership in a broadly diversified mutual fund which may from time to time include interests in one of the types of organizations described in Section 6.2.2, shall “not be considered to be “affiliated, provided that such equity interest cannot confer a controlling interest in a Member or Registered Entity within the Western Interconnection.

6.2.3.4 A Director receiving post-employment compensation, which compensation is not indexed to the success of the disbursing entity shall not be considered “affiliated”.

6.2.3.5 A Director shall not be considered “affiliated” solely by having a contractual relationship with a state government that has one or more agencies that are Members, provided that the Director cannot be affiliated with the Member agency or agencies.

6.2.3.6 A Director shall not be considered “affiliated” for being a residential or small business end-user of electricity or for being affiliated with, a member of, or a contributor to an organization that represents a substantial number of end users or a substantial number of persons interested in the impacts of electric systems on the public interests or the environment, but a Director shall be considered “affiliated” if the Director is an employee of, or serves as a director, trustee, or officer or in any other policy-setting capacity with respect to any such organization.

6.2.3.7 The affiliation restrictions set forth in this Section are not all encompassing. Candidates and Board members are expected to disclose all known potential financial or relationship conflicts, including any known relationships between companies they have affiliation with and/or entities described in Section 6.2.2. Furthermore, any Nominating Committee will be expected to investigate and evaluate all potential conflicts, whether financial or otherwise.

6.2.4 In addition, the Board may provide for the Chief Executive Officer (“CEO”) of WECC to be a voting, additional tenth, member of the Board through the inclusion of such a provision in the resolution the Board adopts appointing WECC’s CEO. Such provision shall not permit the CEO to be a member of a Board committee or to cast either a tie-breaking vote or a vote that creates a tie. The CEO may not serve as the Chair or Vice-Chair of the Board.

### **6.3 Term of Office.**



Directors will hold office for staggered terms of three (3) years, three Directors' terms ending each year. Each three (3) year term shall commence upon the adjournment of the portion of the Annual Member Meeting provided for in Section 5.3, in which all Members are counted for purposes of determining a quorum. Similarly, the three year terms of outgoing Directors shall end upon the adjournment of that portion of the Annual Member Meeting in which all Members are counted for purposes of determining a quorum, whether that results in a longer or shorter term than exactly three years.

#### **6.4 Nomination, Selection and Compensation of Directors.**

6.4.1 Nominating Committee. Candidates for a Director position shall be nominated by a Nominating Committee. The Nominating Committee shall consist of seven members. Three members shall be Directors, not standing for re-election, designated by the Board Chair. The remaining four Nominating Committee members shall be designated by the Member Advisory Committee and come from individuals serving on the Member Advisory Committee, with two (2) members being from Classes 1, 2, and/or 3, and two (2) members being from Classes 4 and/or 5.

6.4.1.1 If the Member Advisory Committee does not designate MAC members to serve on the Nominating Committee within 30 days of being notified of the Board Chair's designation of the three Directors to serve on the Nominating Committee, the Board Chair may designate MAC members to serve.

6.4.1.2 A Nominating Committee shall be formed each year not less than 180 days prior to the Annual Meeting. A Nominating Committee will continue to function until a replacement Nominating Committee is formed, but may not continue for a period longer than twelve (12) months from its creation, provided however, that the Board, by resolution, may authorize a Nominating Committee to function beyond twelve (12) months as the Board may determine is necessary.

6.4.2 Director Candidate Nominations.

6.4.2.1 The Nominating Committee shall develop candidate pools and make candidate nominations to the Members. The Nominating Committee may consider any qualified applicant in developing the candidate pool, and may identify applicants through the following process: (1) selecting and utilizing an independent search firm to provide the Nominating Committee with a list of qualified applicants for each Director position subject to election; (2) consider an incumbent Director who is willing to stand for reelection, including a review of such Director's tenure on the Board of Directors; (3) consider external nominations.

6.4.2.2 External parties, including but not limited to Members and Western Interconnection stakeholders, may recommend candidates (self-recommendations and third party recommendations) to the Nominating Committee for consideration, by submitting the following: the candidate's resume, a summary of the candidate's relevant experience, a disclosure statement from the candidate, and a letter of interest from the candidate. All recommendations from external parties must be submitted to the Nominating Committee within sufficient time for the Nominating Committee to evaluate the candidate prior to the notification required in Section 6.4.2.5.

6.4.2.3 The Nominating Committee shall review the qualifications of the potential candidates and put forth one nominee for each Director position up for election.

6.4.2.4 Five (5) affirmative votes of the Nominating Committee shall be necessary to put forth a nominee to the Members.

6.4.2.5 At least sixty (60) days in advance of the Annual Meeting, the Nominating Committee shall notify the Board Chair whether or not it has finalized all Director nominations. If the Committee fails to put forth a nomination for an open position, then the Board Chair may form a new Nominating Committee with different Board and Member Advisory Committee members, who shall be tasked with developing any remaining nominations for open Director positions.

6.4.2.6 Each nominee, put forth by the Nominating Committee, shall be presented for separate election by the Members.

6.4.3 Director Elections. Members will vote for each vacant Director position separately. A candidate will be elected to the Board upon majority vote of the Members as a whole in addition to a majority of the Classes (three of the five) having a majority vote from the Members of the individual Class.

6.4.4 Should a candidate fail to receive the required vote of the Members or Member Classes, the Board may:

6.4.4.1 conduct a new election of an alternate candidate put forward by the Nominating Committee, if any, or the Board may ask the Chair to establish a new Nominating Committee to recommence the nomination and election process. Where a candidate has not received the required vote of the Members and Member Classes, the director position shall remain vacant until a candidate is elected, except as provided in Section 6.7.2.



6.4.5 Annual Compensation of Directors. Every two years, or sooner if, in the discretion of the CEO, a new survey is required, the CEO shall contract with an appropriate firm to conduct a national compensation survey, which shall provide an independent review of the compensation paid independent directors. The latest survey so procured shall be used by the Nominating Committee to make an annual recommendation for the compensation of Directors for the following year. Any such recommendation shall require five (5) affirmative votes of Nominating Committee members. This recommendation shall be presented to the MAC no later than one hundred fifty (150) days prior to the Annual Meeting. The MAC shall set the compensation for the Directors at least one hundred and twenty (120) days prior to the Annual Meeting. When making this decision, the MAC shall consider the recommendation of the Nominating Committee and any other material relevant to setting Director compensation. If the Nominating Committee is unable to reach the five (5) vote majority necessary to make a compensation recommendation, the MAC shall make no changes to the compensation paid Directors for the following year.

## **6.5 Removal of Directors.**

The Members or the Board may remove a Director before completion of the Director's term of office pursuant to the following provisions.

6.5.1 Removal by the Members. Directors may be removed only for gross negligence, violation of local, state, provincial, or federal laws, gross misconduct, or failure to meet the fiduciary obligations of Directors.

6.5.1.1 Removal of a Director will be by a vote of a majority of all the WECC Members, not just those Members voting, in addition to a majority of the Classes (three of the five) having a majority vote from the Members of the individual Class. Removal may only take place at a meeting called for that purpose by notice provided in accordance with the notice requirements for member meetings. A vote, by all Members, to consider removal of a Director will occur based upon a petition, for such an all-Member vote, supported by twenty percent (20%), each, of the Members of three of the five Member Classes.

6.5.2 Removal by the Board. The Board may remove any Director for gross negligence, violation of local, state, provincial, or federal laws, gross misconduct, or failure to meet the fiduciary obligations of Directors. Such removal will only occur upon the affirmative vote of not less than six (6) Directors.

## **6.6 Resignation.**

Any Director may resign from their position at any time by written notice to the Board by delivery to the Chair. The acceptance of a resignation will not be required to make it effective.

## **6.7 Procedures for Filling Vacant Director Positions.**

- 6.7.1 Director Vacancies. If the position of any Director becomes vacant prior to its normal term expiration, the remaining Directors may charge the Nominating Committee with selecting a successor immediately. The Nominating Committee will follow the requirements set out in Sections 6.2.1 and 6.2.2 in its selection of any successor Director. Alternatively, if less than one (1) year remains in the term of that Director, the remaining Directors may choose to leave the position vacant for the remainder of the term.
- 6.7.2 Holdover to Cure Procedural Vacancies. Whenever an incumbent Director is a candidate for a Director position and a vacancy would be created due to expiration of the Director's term, the Director may continue to serve, for up to an additional 12 months, until such time as an election of the Director's position can be conducted, provided the vacancy arises from a lack of quorum or other procedural inability to elect a candidate for the Director position.
- 6.7.3 Should the number of serving Directors fall below seven (7), the Board may appoint one or more individuals to serve as temporary Directors until such time as replacement Directors can be elected by the Members.
- 6.7.3.1 In appointing temporary Directors, the Board shall select individuals who meet the requirements of Section 6.2.

## **6.8 Duties of Directors.**

The Directors will have the following duties:

- 6.8.1 Fiduciary Obligation to WECC: All Directors, will have a fiduciary obligation to WECC consistent with the requirements for Directors of Utah non-profit corporations. Members of the Board will at all times act in conformance with such requirements, these Bylaws and the Standards of Conduct set forth in Appendix A.
- 6.8.2 Preserve Non-Affiliated Status: Throughout their terms, Directors will have a duty to avoid any affiliation that is inconsistent with the qualifications for Directors in Section 6.2.2 of these Bylaws. If a Director becomes aware of any intervening disqualification, he/she must either resign or eliminate the disqualification (e.g., dispose of securities) within sixty (60) days.

## **6.9 Powers of Directors.**

The management of all the property and affairs of WECC will be vested in the Board of Directors. The Board will hold annual elections to select a Board Chair and to fill any other Board officer positions that may be created by the Board or required by applicable law. The Board may exercise all the powers of WECC and do all lawful acts and things (including the adoption of such rules and regulations for the conduct of its meetings, the exercise of its powers and the management of WECC) as are consistent with these Bylaws and the Articles of Incorporation. The Board will give serious consideration to the Member Advisory Committee's and the Western Interconnection Regional Advisory Board's (or any successor) recommendations. The Board will respond to Member

Advisory Committee and Western Interconnection Regional Advisory Board recommendations through a means which the Board determines appropriate.

#### **6.10 Delegation of Board Authority.**

The Board may delegate to the Chief Executive Officer or to any Board Committee formed pursuant to Section 7.7.3 any or all of its powers and authority except: 1) any power which it may not delegate pursuant to applicable Utah law; 2) the power to adopt any reliability standard; 3) the power to determine when to exercise the Backstop Authority of WECC; 4) the power to approve budgets; 5) the power to form committees; 6) the power to amend the Bylaws; 7) the power to elect the Chair and other officers of the Board; and 8) the power to hire, fire or set the terms of employment of the Chief Executive Officer. The Board may also delegate to any Member committee the power to make specific decisions, subject to the right of any Member to appeal any of such decisions to the Board within 30 days of the committee vote on the decision by writing a letter to the Chief Executive Officer that describes in reasonable detail the grounds for appeal, and requests that the appeal be considered by the Board at its next regularly scheduled meeting, subject to applicable notice requirements. Delegation will be by express decision and will require the affirmative vote of not less than a majority of the Directors. Any Director may call for a vote to rescind such delegation at any time and such delegation will be rescinded if a majority of the Directors vote to do so.

6.10.1 Notice to Members. Within seven (7) days of any decision delegated pursuant to Section 6.10, except for routine decisions of the Chief Executive Officer, Members will be notified of the decision by electronic mail, posting on the WECC website and any other means determined appropriate by the Board. Routine decisions of the Chief Executive Officer will be noticed in periodic reports to the Board and Members as determined by the Board, which will be sent to Members by electronic mail and posted on the WECC website.

6.10.2 Board Review of Delegated Decisions. Decisions delegated pursuant to Section 6.10 will be reviewed by the Board at the request of any Director, provided such request is lodged with the Secretary within thirty (30) days of the notice. Whenever it determines that a matter requires an urgent decision, the Board may shorten the deadline for requests for review, provided that: 1) the notice and opportunity for review will be reasonable under the circumstances; and 2) notices to Members will always contain clear notification of the procedures and deadlines for Board review. A request for review of a decision will stay the effect of the decision pending review unless the Board in making the delegation expressly determines otherwise.

### **7. Procedures for Board Decisions.**

#### **7.1 Quorum.**

No business will be conducted by the Board unless at least five (5) Directors are present, or six (6) Directors if the CEO is counted to determine a Board quorum.

## **7.2 Majority Vote.**

A decision of the Board will require an affirmative vote of a majority of Directors present and not abstaining; provided that no decision of the Board shall be made with fewer than three (3) affirmative votes, or four (4) affirmative votes if the CEO is counted to determine a Board quorum. Directors may not vote by proxy or by absentee ballot, but Directors may participate in Board meetings by telephone as provided in Section 7.3 of these Bylaws.

## **7.3 Attendance at Board Meetings by Teleconference.**

Any or all of WECC's Directors may participate in any meeting of the Board by telephone conference or any other means of communication that enable all Directors participating in the meeting to simultaneously hear one another. Every Director participating in a meeting in the manner described in the preceding sentence will be deemed to be present in person at that meeting.

## **7.4 Board Action by Unanimous Consent.**

7.4.1 Action Without a Meeting. Unless WECC's Articles of Incorporation or applicable law provides otherwise, action required or permitted to be taken at a meeting of the Board may be taken without a meeting through one or more written consents describing the action taken. Any Board action taken by written consent must be signed by all Directors in office at the time the action is taken. Such actions must be noticed to Members in accordance with Section 7.5 and Members must be given an opportunity to comment prior to the Board taking such actions through electronic mail, comments on the website or other appropriate means. The required notice of such meeting may generally describe the arrangements (rather than the place) for the holding of the meeting. All other provisions herein contained or referred to will apply to such meeting as though it were physically held at a single place. All Board actions by written consent must be filed with WECC's Board meeting minutes. Action taken under this Section is effective when the last Director signs the consent, unless the consent specifies an earlier or later effective date. Any action by written consent has the same effect as a meeting vote and may be described as such in any document.

7.4.2 Waiver of Procedures. For any specific action at any noticed meeting of the Board, and under exigent or unusual circumstances, the Board by unanimous vote of those present may waive any procedural requirement applicable to Board decision-making, including any requirement for notice of a specific potential action, except for the following: 1) the requirement for notice of the time and place of the meeting pursuant to Section 7.5; 2) the quorum and voting requirements of Sections 7.1 and 7.2; and 3) any non-procedural limitation on the power of the Board to make a decision, including, but not limited to, those restrictions in Sections 6.10 (limiting the power to delegate) and 12.1 (limiting the power to amend the Bylaws). Whenever such action is taken, a statement describing the action, the exigent or unusual circumstances, the specific procedure waived, the basis for the waiver and the votes of all Directors present shall be

posted on the website and communicated in writing or by e-mail to all Members within five (5) days.

## **7.5 Notice of Board Meetings.**

- 7.5.1 Regular Meetings. Except as set forth in Section 7.5.2 regarding urgent business, all regular business of the Board will occur at the Board meetings, at least twenty-one (21) days' advance notice of which has been provided by the Chief Executive Officer to all Directors and all Members. Notice will include an agenda that will identify those matters on which a vote will be taken at the meeting. The foregoing requirement shall not preclude the Board from taking an action that is different from the specific proposed action identified in the agenda, as long as the relevant subject matter has been reasonably identified in the agenda. The Directors will establish a regular meeting schedule that will be made available to the Members. The schedule will include not less than two meetings of the Board annually.
- 7.5.2 Special Meetings. Whenever the Chair of the Board or any three (3) Directors find that there is urgent business requiring Board action before the next regular Board meeting, a special meeting of the Board may be called. Such special meetings will be held upon as much written notice to each Board Member and all Members as is possible under the circumstances, which will not be less than three (3) days. However, this notice of special meetings may be waived if: 1) the waiver is by a writing signed by a quorum of Board members; and 2) as much notice of the meeting as practicable has been given to WECC Members via e-mail and posting on the WECC website.
- 7.5.3 Public and Website Notice. Public notice of each meeting of the Board will be placed on WECC's website at least ten (10) days before such meeting (or such lesser time as provided pursuant to Section 7.5.2). In addition, the Chief Executive Officer will provide notice of each meeting by first-class mail, facsimile or electronic mail to each member of the public who so requests and who has provided appropriate information regarding delivery of notice.

## **7.6 Open Meetings.**

Except as provided in Section 7.6.1, all regular and special meetings of the Board will be open to observation by any Member and any member of the public.

- 7.6.1 Closed Session. Notwithstanding the provisions of Section 7.6, upon an affirmative vote of two-thirds (2/3) of the Directors present, the Board may meet in closed session: 1) to consider the employment, evaluation of performance, or dismissal of an employee of WECC and to deliberate regarding decisions the Board may be called upon to make regarding the nomination, qualification, appointment, or removal of a member of the Board of Directors; 2) to discuss pending or proposed litigation and to receive confidential attorney-client communications from legal counsel; and 3) to receive and discuss any

information that is privileged, trade secret, cybersecurity, critical energy infrastructure information (as defined by the FERC), protected from public disclosure by law or that the Board determines should be confidential in order to protect a legitimate public interest.

7.6.1.1 Attendance by an Affected Director. Closed sessions of the Board may not be attended by a Director under the following circumstances: 1) where the qualifications or performance of the Director or the Director's spouse or children are being discussed; 2) where the Director is employed by an entity that is or is likely to become a party to the litigation being discussed; and 3) where the Director or the Board determines that the Director would have a serious and substantial conflict of interest by becoming privy to confidential attorney-client or trade secret information that is to be presented to the Board in closed session.

7.6.1.2 Announcement of Closed Session. Before adjourning into closed session, the Chair of the Board will announce the purpose of the closed session in a manner that provides the public an understanding of the general subject matter to be discussed but which does not reveal sensitive or personal information. The Board will not discuss additional items outside the scope of this description.

7.6.1.3 Confidentiality of Closed Session. All Directors and others present will maintain the confidentiality of discussions and decisions made in closed session. The Board will appoint a secretary for closed session to keep a minute book for the purpose of recording the subject matter discussed in closed session and any actions taken in closed session. After a closed session has ended, the Board Chair shall provide the public a general description of the business conducted during the closed session, without breaching the confidentiality of the information used in the session.

## **7.7 Board Committees.**

7.7.1 Governance Committee. The Chair will appoint a Governance Committee that shall: oversee implementation and amendment of these Bylaws and- address such other issues pertinent to Governance as the Board may choose to delegate to it. The Chair will designate one of the appointed Directors to be the Chair of the Governance Committee.

7.7.2 Nominating Committee. Constituted as described in Section 6.4.1 of these Bylaws.

7.7.3 Other Board Committees. The Board may appoint such Board committees as it deems necessary from time to time to carry out its business affairs. In appointing such committees, the Board will specify their purpose, membership, voting, notice and meeting procedures and such other direction as the Board may deem



appropriate. The Board may appoint one or more Members or other persons to participate in Board committees as full voting members or as non-voting advisory members.

7.7.4 Standards of Conduct for Board Committee Members. Members of Board committees shall comply with the Board Member Standards of Conduct set forth in Appendix A.

## **8. Member Committees.**

### **8.1 Purpose.**

WECC will have committees composed of its Members to advise and make recommendations to the Board. Such committees will include both standing committees required by these Bylaws and such other committees as the Board may choose to create.

### **8.2 Standing Committees.**

WECC will have the following standing committees:

8.2.1 Member Advisory Committee. This committee is comprised of Member representatives elected by the Member Classes, or subclasses, as set forth herein.

8.2.1.1 The committee shall advise the Board on any matters the Board requests the committee to evaluate or consider; and advise the Board on matters as the committee deems appropriate.

8.2.1.2 The committee's Chair or designee will attend the Board's meetings to provide advice, clarifications or respond to Directors' questions. The Board Chair and committee Chair shall develop guiding principles and procedures as necessary, to ensure open, effective, and efficient dialog between the MAC and Board. Such guiding principles and procedures may be amended by the Board and committee's Chairs.

8.2.2 WECC Standards Committee. This committee will oversee the process for responding to requests for Regional Reliability Standards and Regional Criteria in accordance with the Reliability Standards Development Procedures. The WECC Standards Committee is responsible for determining if a request for a Regional Reliability Standard or a Regional Criteria is within the scope of WECC's activities, and for overseeing the drafting, comment and voting process for a Regional Reliability Standard or Regional Criteria. The WECC Standards Committee shall also oversee the process for responding to requests for interpretations of Regional Reliability Standards and Regional Criteria. The WECC Standards Committee shall consist of one member from each of the WECC Standards Voting Sectors set forth in [Section 8.6.5.2 the Reliability Standard Development Procedures](#), and a member of the WECC Board who shall act as chair of this committee. The WECC Board shall approve a Charter for the

WECC Standards Committee that describes the WECC Standards Committee membership selection process.

- 8.2.3 Planning Coordination Committee. This committee will advise and make recommendations to the Board on all matters within the jurisdiction of WECC pertaining to maintaining reliability through evaluating generation and load balance and the adequacy of the physical infrastructure of the interconnected Bulk Electric System within the Western Interconnection.
- 8.2.4 Operating Committee. This committee will advise and make recommendations to the Board on all matters within the jurisdiction of WECC pertaining to maintaining reliability through the operation and security of the interconnected Bulk Electric System in the Western Interconnection.
- 8.2.5 Market Interface Committee. This committee will advise and make recommendations to the Board on the development of consistent Market Interface practices and compatible commercial practices within the Western Interconnection. It will consider matters pertaining to the impact of WECC's reliability standards, practices, and procedures on the commercial electricity market in the Western Interconnection, and facilitate analysis of the impact of electricity market practices on electric system reliability.

### 8.3 Other Committees.

- 8.3.1 The Board may create such other committees as it may desire from time to time. The Board will specify the functions, duties and responsibilities of any such committee at the time of its creation. The Board will also specify the membership rules, quorum requirements, voting levels and meeting and notice requirements at the time of creation. Any changes in the membership rules, quorum requirements, or voting levels of a committee, once established by the Board, will require a seventy-five percent (75%) vote of the Board to alter. The specific function or sunset date for a committee will be designated by the Board at the time of the committee's creation. The committee will terminate its activities upon the completion of its function or the expiration of the date set by the Board.

### 8.4 ~~Assessment of Standing Committee Activities.~~ [Repealed]

~~Within eighteen months of the Federal Energy Regulatory Commission (FERC) approval of Section 6 establishing an independent Board, and, thereafter, within no longer than a five year period after the previous review, the Board of Directors will conduct a thorough review of the activities of each of WECC's standing committees to assess whether they are effectively furthering WECC's purposes in a manner that is consistent with: 1) the provisions of Section 2.2 of these Bylaws; and 2) the then current state and the expected future evolution of the electric power industry within the Western Interconnection. The Board's review will assess whether there are any aspects of the standing committees' functions or~~



~~procedures that impede development of WECC standards, obligations, processes, and decisions that are timely, fair, effective, and reasonable in view of the commercial, legal, regulatory, and economic needs and objectives of the affected Members. The Board will propose to the membership, at the Members' annual meeting held after completion of a review required by this Section 8.4, any changes to standing committee structures, functions, or procedures that the Board determines are warranted by its review.~~

## **8.5 Procedures for Member Advisory Committee Decision-Making.**

8.5.1 Member Advisory Committee (MAC). The committee shall be comprised of three representatives from each of the five (5) Member Classes, for a total of fifteen (15) members.

8.5.1.1 The Board, by resolution, may create up to three additional representative positions on the MAC, to include representation for Entities of the Canadian Provinces of British Columbia, and/or Alberta, and/or the Mexican State of Baja California. The Board resolution shall set forth the terms through which Canadian or Mexican representatives shall be selected and serve.

8.5.2 MAC Member Elections. At the Annual Members Meeting, each Member Class shall conduct elections to elect Class member representatives for the committee. As set forth herein, each Class may subdivide into up to three subclasses for purposes of electing a Class' MAC members.

8.5.2.1 Committee member terms. Each committee member will serve a three year term. Terms shall be staggered such that one of each Class' representative committee member's terms ends each year. Class committee members may have term limits as determined appropriate by the Class or subclass electing such committee member.

8.5.2.2 Subclasses. Each Class will determine the need for diversity within the Class (e.g., geographic, stakeholder issues, etc.) which may lead to the establishment of subclasses. A Class may subdivide into up to three subclasses. Each Class shall determine to establish or discontinue its subclasses, if any, by majority vote of the members in the Class.

8.5.2.3 Committee member nominations and elections. Only members of each Class, or subclass, if applicable, may nominate and vote on candidates for election as a MAC member representative for their respective Class or subclass.

8.5.2.3.1 A Class or subclass candidate need not be a member of the Class or subclass, neither an employee of a Class or subclass member.

8.5.2.3.2 A quorum of a majority of the members of a Class or subclass must be present in order to elect a MAC member for the Class or subclass; election shall be by simple majority of votes cast.

8.5.2.3.3 Where there are more candidates for election than positions to fill, absentee ballots shall allow voters to order the candidates by order of preference so that their wishes may be honored in case a runoff is required. Absentee ballots shall be counted in the first ballot based on the top choice, or the top two or three choices if more than one seat is being filled. In any runoff election, absentee ballots shall be counted based on the highest preferences indicated for the candidates who remain in the runoff election.

8.5.2.3.4 Other nomination and election procedures, beyond those contained in these bylaws, may be proposed for a Class or subclass. Contingent upon their approval, by the General Counsel, for their submission to Members, they may be adopted for implementation by majority vote of the Member Class or subclass.

### 8.5.3 MAC Member Vacancy by Resignation or Removal

8.5.3.1 Resignation. At any time, any MAC member may resign from their position by providing written notice of resignation to the MAC Chair. Such notice shall be effective as of the date the notice is submitted to the MAC chair.

8.5.3.2 Removal. The MAC or the Member Class or subclass which elected a MAC member may remove the MAC member prior to completion of the Mac member's term of office as set forth herein:

8.5.3.2.1 Removal by the MAC. The MAC may remove any MAC member for gross negligence, gross misconduct, violation of local, state, provincial, or federal law, or gross failure to carry out the duties of a MAC member. Such removal will only occur after the affirmative vote of at least two-thirds (2/3) of the MAC members.

8.5.3.2.2 Removal by the Electing Class or Subclass. The electing Member Class or subclass may remove any MAC member representing that respective Class or subclass. Such removal will occur after the affirmative vote of a majority of the Members of the electing Class or subclass.

- 8.5.3.3 Vacancy. Whenever a MAC vacancy occurs, the MAC Chair shall conduct a proper and effective election, allowing for a reasonable period to select candidates and to organize such an election.
- 8.5.3.3.1 Whenever a MAC vacancy occurs, the MAC Chair shall, as promptly as feasible, conduct an election consistent with these Bylaws for the Member Class or subclass from which the vacancy arose, allowing for a reasonable period to select candidates and to organize such an election.
- 8.5.3.3.2 Until an election can be held, the MAC Chair may appoint an interim MAC member to fill the vacancy as may be required to meet the MAC quorum requirements of 8.5.8. The appointee shall serve until an effective election can be held. Any interim appointment must come from Members of the same Class or subclass from which the vacancy arose.
- 8.5.4 MAC officers. At the Annual Meeting, after incoming MAC members have been duly elected by the Member Classes or subclasses, if applicable, the MAC will elect the MAC Chair and MAC Vice-Chair from the MAC members. The Chair and Vice-Chair must represent different Classes, and shall serve one year terms, measured from the Annual Meeting to the next Annual Meeting. In the event of the resignation or removal of the Chair or Vice-Chair, the MAC members shall, at their next regular or special meeting, whichever is sooner, elect a new MAC Chair or MAC Vice-Chair, respectively.
- 8.5.5 MAC Member Duties. All MAC members shall have a duty to represent the interests of their Member Class or subclass. All MAC members shall maintain regular contact with the members of their Member Class as issues are considered by the MAC, and shall make reasonable good faith efforts to present and discuss both majority and minority opinions from their Member Class on matters before the MAC.
- 8.5.6 Regular and Special Meetings.
- 8.5.6.1 Regular meetings. All regular business of the MAC shall occur at MAC meetings which are noticed pursuant to Section 8.5.7. The MAC shall meet in person not less than two times per year, including once in conjunction with the Annual Meeting. The MAC shall establish a regular meeting schedule, which will be made available to the Members and Directors electronically, and available to the public through posting on the WECC website.
- 8.5.6.2 Special Meetings. Whenever the MAC Chair finds, or upon request to the MAC Chair from any five (5) MAC Members, that there is urgent business requiring MAC consideration or action prior to the next regularly

scheduled meeting, then a special meeting shall be called with notice given in accordance with Section 8.5.7.

8.5.7 Notice.

8.5.7.1 Regular Meetings. All regular meetings of the MAC shall require at least twenty-one (21) days written notice to the MAC members, the Directors, and the Members. Such notice shall specify the time and place of the meeting, and an agenda of the business to be conducted including those matters upon which a vote will be taken. Notice of regular MAC meetings shall be effective upon electronic distribution, and shall be posted to the WECC website within one (1) business day of electronic distribution.

8.5.7.2 Special Meetings. Any special meetings of the MAC shall require at least ten (10) days written notice to the MAC members, the Directors, and the Members. Such notice shall specify the time and place of the meeting, and an agenda of the business to be conducted, including those matters upon which a vote will be taken. Notice of special MAC meetings shall be effective upon electronic distribution, and shall be posted to the WECC website within one (1) business day of electronic distribution.

8.5.8 Quorum. No business shall be conducted by the MAC unless a majority of the MAC members is present, including at least one MAC member from each Member Class which elects MAC members (not including subclass designations).

8.5.9 Majority Vote. A decision of the MAC shall be upon a simple majority vote of committee members voting unless otherwise required in other bylaw provisions.

8.5.10 Remote Participation at MAC Meetings. Any or all of the MAC members may participate in any meeting of the MAC electronically or by telephone, or by any other means of communications which enables the MAC members to simultaneously hear one another. Every MAC member participating in a meeting in this manner will be deemed to be present in person at the meeting.

8.5.11 Reporting to the Board. The MAC Chair, or designee, shall provide a report to the Board at each Board meeting detailing the business carried out by the MAC, and advising the Board of MAC recommendations on matters as set forth in Section 8.2.1 herein. In the event that there are dissenting MAC member opinions regarding a matter on which the MAC is advising or providing recommendations to the Board, the MAC Chair, or designee, shall present dissenting opinions and rationales in conjunction with the respective MAC advice or recommendations.

8.5.12 Open Meetings. Except as provided in Section 8.5.13, all regular and special meetings of the MAC will be open to observation by any Member, Director, and/or any member of the public.

8.5.13 Closed Session. Notwithstanding the provisions of Section 8.5.12, after a quorum has been established at any MAC meeting and upon an affirmative vote of two-thirds (2/3) of the MAC members present, the MAC may close an open meeting and reconvene in closed session in the following instances: (1) to receive and/or discuss confidential attorney-client privileged information from WECC's counsel; or (2) to receive and discuss any other information which is privileged, confidential, proprietary, trade secret, or otherwise protected from public disclosure by law.

8.5.13.1 Attendance by an Affected MAC Member. Closed sessions of the MAC may not be attended by a MAC member under the following circumstances: (1) when the qualification or performance of the MAC member is being discussed; (2) when the MAC member is employed by an entity that is or is likely to become a party to the litigation or legal issue being discussed; or (3) when the MAC Chair determines that the MAC member would have a conflict of interest by becoming privy to the privileged or confidential information that is to be presented to or discussed by the MAC in closed session.

8.5.13.2 Attendance by Directors. Any member of the Board may attend a closed session of the MAC unless the topic considered by the MAC concerns the Director.

8.5.13.3 Announcement and Adjournment of Closed Session. Prior to adjourning to a closed session, the MAC Chair will announce the purpose of the closed session in a manner that provides the public an understanding of the general subject matter to be discussed, but which does not reveal privileged, confidential or otherwise sensitive personal information. The closed session then shall be limited in scope to the publicly stated purpose of the closed session. After the closed session has ended, the MAC Chair shall provide the public a general description of the business conducted during the closed session, without breaching the confidentiality of the information used in the session.

8.5.13.4 Confidentiality of Closed Session. All MAC members and any others present at a closed session shall maintain the confidentiality of the information, discussions, and decisions made in closed session. Unless otherwise required, all MAC members and closed session attendees shall execute an appropriate confidentiality agreement provided by WECC's General Counsel. The MAC Chair will appoint a secretary for the closed session to take minutes of the closed session, which shall be delivered to the WECC Corporate Secretary. Minutes of the closed session will be maintained confidential by the Corporate Secretary.

8.5.14 MAC Committees. The MAC may appoint such subcommittees and working groups as it deems necessary from time to time to carry out its business affairs. In

appointing such subcommittees or working groups, the MAC will specify, in a charter, their purpose, membership, voting, notice and meeting procedures, and other such direction as the MAC deems appropriate. The MAC may appoint one or more MAC members or other persons to participate in MAC subcommittees or working groups as full voting members or as non-voting advisory members.

8.5.15 MAC meetings and activities will be self-funded by Members with respect to labor and travel expenses. However, WECC and WECC staff will provide facilitation and coordination support, including payment for the expenses of meeting facilities. A MAC member may seek reimbursement, from WECC, for reasonable and actual travel expenses arising from attendance at MAC meetings, consistent with WECC employee travel expense reimbursements, where such MAC member's travel expenses are not reimbursed by any Member or other source.

## **8.6 Procedures for Committees other than the Member Advisory Committee.**

8.6.1 Reports to Board of Directors. Action by a committee will be in the form of a recommendation for Board action except in those instances in which the Board has, by resolution, specifically delegated to a committee the power to take action subject to an appeal to the Board by any Member. The recommendation of a committee must be forwarded to the Board for its action along with any minority or dissenting reports filed with the committee Chair or Vice-Chair.

8.6.2 Subcommittees, Task Forces and Ad Hoc Groups. Any Board or member committee may create such subcommittees, task forces or other ad hoc groups ("subcommittee") as it deems appropriate to carry out the committee's responsibilities consistent with these Bylaws and the direction of the Board. The composition, responsibilities and procedures of such groups shall be specified by the committee as appropriate; provided, however that: 1) the committee may only delegate to such subcommittee responsibilities that are within the scope of the committee's responsibilities pursuant to these Bylaws and direction of the Board; and 2) the subcommittee may only make recommendations to the committee. A committee may create a subcommittee without prior approval of the Board; provided, however, that the committee shall promptly inform the Board in writing and at the next Board meeting regarding the creation of the subcommittee. The notification to the Board shall include a charter for the subcommittee that describes how members of the subcommittee will be selected, the duties of the subcommittee, and whether the committee has established a sunset date for review of (1) the need for the subcommittee and (2) the charter of the subcommittee.

8.6.3 Committee Officers. The Board will appoint the Chair and Vice-Chair of each committee. The Committee Chair or Vice-Chair will preside over all meetings of the committee and will report recommendations of the committee to the Board of Directors. The Chair and Vice-Chair will be responsible for informing the Board regarding minority opinions and other information required by the Board along



with overall committee recommendations. Whenever the committee elects to form a subcommittee to represent regions or address specific tasks, the Chair (or in the absence of the Chair, the Vice-Chair) will have the power to appoint the members of such subcommittee from both members of the committees and non-members. Upon resignation of the Committee Chair, the Vice Chair shall serve as Chair until the Board appoints a replacement. Upon resignation of the Vice Chair, the Chair may appoint a temporary Vice Chair to serve until the Board appoints a replacement. Upon resignation of both the Chair and Vice Chair, the Chair of the Board may appoint one or more temporary replacements to serve until the Board appoints permanent replacements.

- 8.6.4 Committee Membership. Except as provided in Sections 8.2.2 and 8.6.4.1, any Member of WECC may designate one representative as its committee member to any standing committee or other committee. The WECC Member will have one vote at any committee meeting through that committee member. Any number of other persons may attend a committee meeting, but such persons will have no right to vote without a prior designation of representation by a WECC Member, ~~except that interested stakeholders may, under Section 8.6, vote on proposed Reliability Standards or revisions to Reliability Standards.~~

8.6.4.1 Dual Representation for Functionally-Separated Members. A Member which has distinct and functionally-separated interests as both a transmission provider and a transmission customer may designate two representatives as committee members to any standing committee, one to represent each functionally separate interest. Each such committee member will have one vote. The privilege granted by this Section is subject to revocation by the Board on a case-by-case basis or generally whenever the Board finds, upon petition from any Member or its own motion, that such dual representation creates unfairness or imbalance within a committee.

- 8.6.5 Committee Voting and Classes.

8.6.5.1 Classes. For purposes of voting, committees, excluding the WECC Standards Committee and the Member Advisory Committee, will have three classes of membership:

8.6.5.1.1 Transmission Provider Members;

8.6.5.1.2 Transmission Customer Members; and

8.6.5.1.3 States and Provincial Members (Member Class 5).

~~8.6.5.2 WECC Standards Voting Sectors. For purposes of voting on Regional Reliability Standards and Regional Criteria, a Ballot Body consisting of five registered sectors (8.6.5.2.1 through 8.6.5.2.5) and three non-~~

~~registered sectors (8.5.5.2.6 through 8.6.5.2.8) shall be established. If an Entity is eligible for a registered sector, then that Entity may be eligible for more than one registered sector. An Entity can only be in one non-registered sector. An Entity cannot be in both a registered and a non-registered sector. The first five sectors (8.6.5.2.1 through 8.6.5.2.5) shall be limited to Entities which are listed in the North American Electric Reliability Corporation (“NERC”) compliance registry and to those Canadian and Mexican Entities that perform functions that, if performed in the United States, would allow these Entities to be registered for compliance in the NERC compliance registry. A WECC member or Participating Stakeholder who wishes to participate in voting on Reliability Standards and Regional Criteria shall apply for membership in the Ballot Body in any or all of the registered WECC Standards Voting Sector(s) for which it believes it is eligible, or one of the three non-registered sectors. WECC staff shall confirm Participating Stakeholder’s eligibility for such Sector(s). Decisions of the staff to approve, deny, or restrict the admission of an entity to a voting sector may be appealed to the Governance and Nominating Committee. Decisions of the Governance and Nominating Committee to affirm or reverse such decisions of staff may be appealed to the Board. The following sectors are established:~~

~~8.6.5.4.0 Transmission Sector. This sector consists of Western Interconnection Entities registered in the NERC compliance registry as transmission owners, transmission operators, transmission service providers, or transmission planners;~~

~~8.6.5.6.0 Generation Sector. This sector consists of Western Interconnection Entities registered in the NERC compliance registry as generation owners or generation operators;~~

~~8.6.5.8.0 Marketers and Brokers Sector. This sector consists of Western Interconnection Entities registered in the NERC compliance registry as purchasing selling Entities;~~

~~8.6.5.10.0 Distribution Sector. This sector consists of Western Interconnection Entities registered in the NERC compliance registry as distribution providers or load serving Entities;~~

~~8.6.5.12.0 System Coordination Sector. This sector consists of Western Interconnection Entities registered in the NERC compliance registry as balancing authorities, reserve sharing groups, planning authorities, resource planners, interchange authorities, or reliability coordinators. WECC may cast a vote in this sector;~~

~~8.6.5.14.0 End Use Representative Sector. This sector consists of non-registered members of WECC Member Class Four;~~



~~8.6.5.16.0 State and Provincial Representatives Sector. This sector consists of non-registered WECC members of WECC Member Class Five;~~

~~8.6.5.18.0 Other non-registered WECC Members and Participating Stakeholders Sector. This sector consists of consultants and other members of WECC Member Class Three, or interested stakeholders who qualify for Participating Stakeholder status but are not registered in the NERC compliance registry.~~

~~8.6.5.20~~ 8.6.5.2 Voting. Except as provided in Section 4.5.2 ~~and 8.6.5.4~~, each committee member will have one vote. In order for a recommendation to be made to the Board, such recommendation must receive a simple majority vote of both: 1) committee members present and voting from the Transmission Provider Class; and 2) committee members present and voting from Transmission Customer Class. The Board will adopt voting and record-keeping procedures to ensure that committee voting is conducted consistent with these Bylaws. This requirement will also apply where decision making power has been delegated to a committee pursuant to Section 6.9.1.

~~8.6.5.20~~ 18.6.5.2.1 State and Provincial Votes. The position of the state and provincial Class committee members must be recorded, but the failure of a proposed recommendation or decision to obtain a simple majority vote of the state and provincial committee members will not prevent the recommendation or decision from being posted for due process comment or sent to the Board of Directors.

~~—— Voting on Regional Reliability Standards and Regional Criteria. Whenever the WECC Standards Committee determines that a draft Regional Reliability Standard or Regional Criteria is ready for consideration by the Ballot Body, it shall be presented for a vote. Members of the Ballot Body shall be provided an opportunity to opt into a Ballot Pool formed for purposes of voting on each of the proposed Regional Reliability Standards or Regional Criteria as described in the Reliability Standards Development Procedures. A two-thirds quorum of the specially formed Ballot Pool is required for a valid vote. Members of the Ballot Pool shall cast their vote in the WECC Standard Voting Sectors listed in 8.6.5.2. When members of the Ballot Body who are eligible to vote in more than one of the sectors defined in 8.6.5.2 join the Ballot Pool, they may cast one vote in each voting sector in which they are eligible. Calculation of the vote by the WECC Standard Voting Sectors will be pursuant to a weighted sector voting formula as described in the Reliability Standards Development Procedures. If the Ballot Pool~~

~~approves a proposed Regional Reliability Standard or Regional Criteria, then that proposed Regional Reliability Standard or Regional Criteria will be recommended to the WECC Board. The process of approving proposed Regional Reliability Standards and Regional Criteria is further guided by the Reliability Standards Development Procedures.~~

8.6.6 Notice and Review of Committee Recommendations and Decisions (Due Process). Committee recommendations or decisions delegated to a committee pursuant to Section 6.9.1 will be subject to the due process provisions of this Section. Following a committee's development of a proposed recommendation or decision, the committee will post the proposed recommendation or decision on the WECC website for review and comment by other WECC Members, and other interested parties. The committee will provide all Members e-mail notification of the posting and will allow at least thirty (30) days for comment on the proposal. The committee will consider all such additional input before reaching its final recommendation or decision. If the committee's recommendation or decision changes significantly as a result of comment received, the committee will post the revised recommendation or decision on the website, provide e-mail notification to Members and provide no less than ten (10) days for additional comment before reaching its final recommendation or decision. Upon reaching its final recommendation or decision, the committee will forward it to the Board. Whenever it determines that a matter requires an urgent decision, the Board may shorten any time period set forth in this Section, provided that: 1) notice and opportunity for comment on recommendations or decisions will be reasonable under the circumstances; and 2) notices to Members will always contain clear notification of the procedures and deadlines for comment.

## **8.7 Procedures for Developing and Voting on Reliability Standards.**

8.7.1 Rights and Obligations of WECC Members and Participating Stakeholders. All WECC Members and Participating stakeholders are entitled to participate in the development of and to vote on Reliability Standards, Regional Criteria or revisions, subject to any applicable obligations, limitations and conditions set forth in these Bylaws, and in accordance with the WECC Reliability Standards Development Procedures.

8.7.1.1 Participation. The right to participate in Reliability Standards and Regional Criteria development and voting includes the right to request the development or revision of a Reliability Standard, the right to receive notice of, attend and participate in related WECC discussions, the right to review information relevant to a Reliability Standard or revision, the right to provide written comments on a proposed Reliability Standard, Regional Criteria, or revision, the right to participate in voting on a Reliability Standard, Regional Criteria, or revision and the right to file an appeal requesting review of any decision on a Reliability Standard, Regional Criteria, or revision.

- 8.7.2 Voting. The procedures and conditions for voting by WECC Members and Participating Stakeholders are set forth in the Reliability Standards Development Procedures, ~~and in Sections 8.6.5.2 and 8.6.5.4 of these Bylaws. A Participating Stakeholder may only vote on a proposed Reliability Standard or revision if they have applied for and been granted Participating Stakeholder status in accordance with Section 8.7.2 below. A Participating Stakeholder is only entitled to vote on Reliability Standards and revisions, and may only vote on Regional Criteria if the proposed Regional Criteria could result in sanctions to a non-WECC member. A Participating Stakeholder is not entitled to vote in any other WECC committee balloting process or in elections for WECC Directors.~~
- 8.7.3 ~~Special Procedures~~Board Authority to Address Regulatory Directives. The Board shall have backstop authority to address regulatory directives as described in the Reliability Standards Development Procedures. If the Board determines that the procedures for drafting and voting on Reliability Standards did not result in a proposed Reliability Standard that addresses a directive issued by an Applicable Regulatory Authority, the Board shall have authority to take certain actions as described in the Reliability Standards Development Procedures to ensure that a Reliability Standard responsive to an Applicable Regulatory Authority's directive is drafted, approved and/or submitted to the Applicable Regulatory Authority. In the event that a Reliability Standard or revision that is proposed in response to an Applicable Regulatory Authority's directive fails to achieve a majority vote of the Ballot Pool, or if a quorum of the Ballot Pool was not established upon re-ballot of a proposed Reliability Standard, then the Board has the authority to take appropriate actions, as described in the Reliability Standards Development Procedures, to ensure that a Reliability Standard responsive to a regulatory directive can be submitted to NERC and FERC with a request that it be made effective. To exercise such authority, the Board must find that the proposed Reliability Standard or revision is just, reasonable, not unduly discriminatory or preferential, and in the public interest, considering (among other things) whether it is helpful to reliability, practical, technically sound, technically feasible, and cost justified. If the Board is unable to make this finding, then the Board may direct that the proposed Reliability Standard be filed with the Applicable Regulatory Authority as a compliance filing in response to the regulatory directive, along with a recommendation that the standard not be made effective and an explanation of the basis for the recommendation.
- 8.7.4 Participating Stakeholder Application Process. Any person or entity that is an interested stakeholder may apply to WECC for Participating Stakeholder status and, upon WECC's acceptance of such application, acquire the participation and voting rights set forth above in Section 8.7.1. WECC staff, under the direction of the CEO, will process applications and make the initial determination of eligibility for Participating Stakeholder status. Denial of Participating Stakeholder status may be appealed to the WECC Governance ~~and Nominating~~ Committee and, if denied by the Governance ~~and Nominating~~ Committee, to the

WECC Board. A person or entity's Participating Stakeholder status will be maintained so long as the Participating Stakeholder continues to meet the requirements set forth in Section 3.24 and participates in at least one WECC meeting per year at which a Reliability Standard or revision is discussed. In the event a person or entity's Participating Stakeholder status lapses due to failure to meet the above minimum participation requirement, the person or entity may restore Participating Stakeholder status by re-applying for Participating Stakeholder status and attending a WECC meeting at which a Reliability Standard is discussed.

8.7.5 WECC Standards Voting Sectors. WECC staff shall confirm eligibility for the WECC Standards Voting Sectors set forth in the Reliability Standards Development Procedures. Decisions of the staff to approve, deny, or restrict the admission of an entity to a voting sector may be appealed to the Governance Committee. Decisions of the Governance Committee to affirm or reverse such decisions of staff may be appealed to the Board.

8.7.6 WECC staff shall require Ballot Body members to identify their affiliations with other Ballot Body members. Affiliates within a single Standards Voting Sector may only have one vote in that Standards Voting Sector. Affiliates within a single Standards Voting Sector must designate a single Affiliate as the group's Ballot Pool member to vote in that Standards Voting Sector.

## **8.8 Notice of Committee Meetings.**

8.8.1 Standing Committees. The committee Chair, with the assistance of the Chief Executive Officer, will ensure that not less than ten (10) days' notice of all standing committee meetings is posted on the WECC website and is also provided to: 1) members of the committee; 2) Participating Stakeholders (if the meeting concerns development or approval of a Reliability Standard or revision); and 3) any WECC Member or member of the public requesting notice. A committee may take up any matter at a duly noticed meeting including matters not expressly identified in the notice; provided, however, that a final recommendation to the Board must be made in accordance with Section 8.6.1.

8.8.2 Other Committees. Notice of other committee meetings will be provided in the manner adopted for such notice by the affected Members and in accordance with the requirements of Section 8.8.1.

## **8.9 Open Meetings.**

All committee meetings of WECC will be open to any WECC Member, Director and for observation by any member of the public, except as set forth in these bylaws or in policies on closed sessions that the Board may adopt for the purpose of preventing public disclosure of information that the Board might more appropriately discuss in closed session.

## **9. The Chief Executive Officer, Officers, and Employees.**

### **9.1 Designation of Officers and Terms of Office.**

WECC will have a Chief Executive Officer, a Secretary, and any other officers specified by the Board from time to time. The Chief Executive Officer will also hold the title of President of WECC if applicable law requires WECC to have a President. Each officer will be appointed by the Board and will serve for the term of office specified in the Board action appointing the officer and until his or her successor is appointed. Any two or more offices may be held by the same person except the offices of Chief Executive Officer and Secretary.

### **9.2 Chief Executive Officer Qualifications.**

The Chief Executive Officer will be a person with senior management level experience and knowledge of bulk power electric transmission systems reliability, planning and operations.

### **9.3 Standards Applicable to All Employees.**

A person may not be an officer or employee of WECC if: 1) the person is also the employee of or has a contractual relationship with any Entity, or any Affiliate of any Entity, that is eligible for membership in WECC; or 2) the person has a financial interest that, in the judgment of the Board or the Chief Executive Officer, creates the fact or appearance of bias, undue influence or lack of objectivity regarding any action or decision of WECC. The Board will adopt Standards of Conduct for officers and employees setting forth their duty of care, duty of loyalty, duty to avoid conflicts of interest and related matters intended to promote their neutrality, objectivity and professionalism. Upon adoption, such standards shall be attached hereto as Appendix B.

9.3.1 Exemptions from the disqualification criteria found in Section 9.3 are as follows:

9.3.1.1 Status as a residential electricity customer will not disqualify a person from employment with WECC.

9.3.1.2 A candidate for Chief Executive Officer or employee of WECC will not be disqualified for owning shares in a mutual fund because the mutual fund owns an interest in a Member or an Affiliate of a Member.

9.3.1.3 The disqualification standards described in Section 9.3 will not apply to disqualify a candidate who is receiving payments from a pension plan of a Member or an Affiliate of a Member in a form other than securities of such Member or Affiliate if the pension plan payments bear no relationship to the economic performance of the Member or Affiliate.

9.3.2 If an officer or employee receives a gift or inheritance of securities in any Member or Affiliate, he/she must resign or dispose of such securities within six (6) months of the date of receipt. Within six (6) months of the time a new

Member is added in which an officer or employee owns securities, the officer or employee will resign or dispose of those securities.

**9.4 Employment.**

The Chief Executive Officer will be employed by the Board of Directors and will serve at the Board's pleasure. Any contract of employment with a Chief Executive Officer will permit the Board to dismiss the officer with or without cause.

**9.5 Chief Executive Officer's Duties.**

Subject to the Board's direction, the Chief Executive Officer or his/her designees will have the following duties, among others:

9.5.1 Execute policies at the direction of the Board and be responsible to the Board for the performance of the WECC functions described in Section 2;

9.5.2 Hire and fire staff within the constraints of the annual budget;

9.5.3 Perform administrative duties, such as preparing annual budgets for the approval of the Board, making employment decisions and ensuring conformance with regulatory requirements;

9.5.4 Develop and implement employment policies and standards of conduct; and

9.5.5 Accept or reject membership applications in accordance with the criteria of these Bylaws.

**9.6 Secretary's Duties.**

9.6.1 Maintain Member and Affiliates Lists. The Secretary will maintain continuously updated lists of all Members and Affiliates.

9.6.2 Maintain Official Records. The Secretary will keep minutes of all WECC Board and Member meetings and will receive and maintain minutes of committee meetings and all other official records of WECC. Within five (5) business days after any vote taken by Members, the Board, a Class or any committee, the Secretary will provide notice to all Members and Participating Stakeholders (if applicable) of the results of such a vote through postings on the website, email and/or other means of communication.

9.6.3 Maintain Website. The Secretary will oversee the creation, maintenance, and updating of the WECC's website and the information published through it.

**10. Dispute Resolution.**

Except as may be otherwise provided herein, and subject to the conditions set forth in Appendix C, Section A.1, disputes between Members and/or WECC will be resolved pursuant to the WECC Dispute Resolution Procedures set forth in Appendix C. Matters subject to the



jurisdiction of the WECC Compliance Hearing Body are not subject to the procedures in Appendix C.

## **11. Costs and Finances.**

### **11.1 Funding of Reliability Activities.**

11.1.1 U.S. Statutory Funding. WECC shall fund all activities undertaken pursuant to Section 215 of the Federal Power Act in accordance with the funding provisions and procedures of that law and related FERC regulations and orders. The Board shall approve a budget for such activities in time for submission to the ERO and to the FERC for approval of such funding in accordance with applicable requirements.

11.1.2 International Funding. WECC shall fund reliability activities undertaken in accordance with any agreements it enters into with Canadian or Mexican Entities. Specifically:

(a) Subject to (b), in the event that a Canadian or Mexican Entity seeks membership in the WECC, that Entity may elect to negotiate an agreement with WECC that provides the terms upon which that Entity will become a Member and, among other things, participate in and/or fund WECC. In such a case and unless agreed otherwise, the Canadian or Mexican Entity shall not be a Member of WECC and shall not have an obligation to fund activities undertaken by the WECC until the terms of such agreement are executed.

(b) Section 11.1.2(a) shall not apply to any Canadian or Mexican Entity that is a Member as of the date of the approval of these WECC Bylaws. Existing Canadian or Mexican Members shall continue as Members in accordance with the terms and conditions of their membership as of the date of the approval of the WECC Bylaws, including the terms and conditions of any agreements in place as of the date of the approval of these WECC Bylaws. Nothing in the Section precludes existing Canadian or Mexican Members from negotiating an agreement with WECC that modifies the terms of its participation in and funding of WECC at any time.

11.1.3 Equitable Allocation of Funding. In adopting budgets for the costs of reliability activities, the Board shall endeavor to achieve an equitable allocation as between funding through Sections 11.1.1 and 11.1.2 based upon the net energy to load and other relevant factors consistent with applicable law, the Delegation Agreement and any International Reliability Agreements.

### **11.2 Dues.**

The Board may require Members and Participating Stakeholders to pay nominal annual dues consistent with applicable FERC requirements (or those of International Reliability Agreements as applicable) to cover reasonable costs of membership and/or participation

in standards development that are not funded through Sections 11.1.1 or 11.1.2. Initial dues of a Member or Participating Stakeholder will be submitted with a completed application for membership or Participating Stakeholder status and will be for the prorated share of the full annual amount based on the Member's or Participating Stakeholder's actual months of membership or participation in the calendar year. In determining nominal dues, the Board may consider all relevant factors including, but not limited to, the ability of different classes of membership or Participating Stakeholders to pay such dues. The Board may also reduce, defer or eliminate the dues obligation of an individual Member or Participating Stakeholder for good cause shown.

### **11.3 Funding of Non-Statutory Activities.**

To the extent that WECC elects to fund any activities not eligible for funding pursuant to Sections 11.1.1 and 11.1.2, it shall do so through the use of service fees, charges or dues applicable to the persons or entities that voluntarily participate in such activities. Participation in or funding of such activities shall not be a condition of membership in WECC.

## **12. Amendments to these Bylaws.**

These Bylaws may be amended by either the Board or by the Members in accordance with the following procedures.

### **12.1 Amendment by the Board.**

Except for those provisions described below, the Board may approve an amendment of the Bylaws after providing not less than thirty (30) days' notice of the proposed amendment to all Members. Approval of such an amendment requires the affirmative votes of not less than two-thirds (2/3) of the Directors in office. Such amendment will become effective sixty (60) days after its approval by the Board (1) unless the vote is appealed to the Members prior to the sixtieth day, or (2) subsequent regulatory approval is required. A Member appeal shall be sufficient to hold implementation of an amendment if a majority of any Class files a petition with the Secretary seeking appeal of such amendment. If such an appeal is received, the membership will vote on whether to rescind the Board approved amendment at the next Annual Meeting unless the Board calls a special meeting of the Members beforehand. An appeal will only be successful if a majority of all Members and a majority (three of five) of Member Classes vote to rescind the amendment. If the appeal vote is not successful, then the amendment will be deemed approved as of the day of the failed Membership vote. If subsequent regulatory approval is required for the amendment, then the amendment shall be effective upon the effective date of such approval.

12.1.1 Notwithstanding the foregoing, both Board and Member approval is required to amend provisions of these Bylaws concerning Sections 1.1 and 1.2; Section 4.2; Sections 6.2 through 6.8, inclusive; Section 7.2; Section 10; Sections 12.1 through 12.4, inclusive; Appendix C, and any other sections as may be required by Utah law. In such case, the Board shall first vote on the proposed amendment. If approved by the Board by the majority specified in Section 12.1 necessary to attain Board approval, the amendment must then be noticed to Members at least sixty (60) days prior to the Annual Meeting or a Special Member Meeting at



which the Member vote will occur. The amendment will then be approved if approved by two thirds (2/3) or more of the Members who vote upon such amendment.

**12.2 Amendment by the Members.**

Upon petition filed with the Secretary by any Member or Director, at any Annual Meeting the Members may amend any provision of these Bylaws; provided: 1) the proposed amendment has first been presented to the Board and not adopted (this provision will not apply to amendments which the Board is prohibited from adopting); 2) Members have received not less than sixty (60) days' notice of the proposed amendment, the reasons there for and a statement of the Board's position regarding it; and 3) the amendment receives the affirmative votes of not less than two-thirds (2/3) of all Members and a majority of Member Classes.

**12.3 Amendments in Response to Mandatory Membership.**

If at any time, pursuant to legislation or otherwise, membership becomes mandatory for some or all Members, upon the request of the affected Member(s) the Board will consider amendments to these Bylaws appropriate to such mandatory membership.

**12.4 Amendments proposed by FERC.**

FERC, upon its own motion or upon complaint, may propose an amendment to these Bylaws pursuant to 18 C.F.R. § 39.10(b).

**13. Termination of Organization.**

WECC may be terminated upon a vote of a majority of the Members in accordance with the provisions of Utah law, the Federal Power Act and the requirements of the Delegation Agreement and applicable International Reliability Agreements. Immediately upon such a vote, the Board will, after paying all debts of WECC, distribute any remaining assets in accordance with the requirements of Utah law, the Internal Revenue Code and these Bylaws.

**14. Miscellaneous Provisions.**

**14.1 Limitation on Liability.**

It is the express intent, understanding and agreement of the Members that the remedies for nonperformance expressly included in Section 4.8 hereof shall be the sole and exclusive remedies available hereunder for any nonperformance of obligations under these Bylaws. Subject to any applicable state or federal law which may specifically limit a Member's ability to limit its liability, no Member, its directors, members of its governing bodies, officers or employees shall be liable to any other Member or Members or to third parties for any loss or damage to property, loss of earnings or revenues, personal injury, or any other direct, indirect, or consequential damages or injury which may occur or result from the performance or nonperformance of these Bylaws, including any negligence, gross negligence, or willful misconduct arising hereunder. This Section 14.1 of these Bylaws applies to such liability as might arise between Members under these Bylaws. This Section 14.1 does not apply to parties to the Agreement Limiting Liability Among Western Interconnected Systems ("WIS Agreement") with respect to matters covered by the WIS Agreement and does not apply to any liability provision in any other agreement.

**14.2 Indemnification.**

WECC shall indemnify and hold harmless its Directors, officers, employees, agents and advisors against any and all damages, losses, fines, costs and expenses (including attorneys' fees and disbursements), resulting from or relating to, in any way, any claim, action, proceeding or investigation, instituted or threatened, arising out of or in any way relating to any action taken or omitted to have been taken (or alleged to have been taken or omitted to have been taken) by such person in connection with actions on behalf of WECC, and against any and all damages, losses, fines, costs and expenses (including attorneys' fees and disbursements) incurred in connection with any settlement of any such claim, action, proceeding or investigation unless such action of such person is determined to constitute fraud, gross negligence, bad faith or willful misconduct with respect to the matter or matters as to which indemnity is sought.

**14.3 No Third Party Beneficiaries.**

Nothing in these Bylaws shall be construed to create any duty to, any standard of care with reference to or any liability to any third party.

**14.4 Informal Inquiries for Information.**

Nothing in these Bylaws shall preclude: 1) a Member from making an informal inquiry for information outside of the procedures outlined in Section 4.6.11 hereof to another Member and 2) that other Member from responding voluntarily to that informal inquiry, provided, however, that any such response to an informal inquiry for information shall not be binding upon that other Member and shall be used by the Member making the informal inquiry for informational purposes only.

**15. Incorporation.**

WECC shall organize itself as a non-profit corporation pursuant to the laws of the state of Utah regarding non-profit corporations under the name "Western Electricity Coordinating Council." All Members agree to take no actions that would contravene the ability of WECC to maintain its status as a non-profit corporation existing pursuant to the Utah Act. The Board shall adopt these Bylaws as the Bylaws of WECC as a non-profit corporation.

WECC is intended to qualify as an organization described in Section 501(c)(4) of the Internal Revenue Code. No part of any net earnings of WECC shall inure to the benefit of any Member or individual. Upon liquidation, to the extent consistent with the Internal Revenue Code and Utah law, any monies remaining from assessments paid by Members for the costs of WECC shall be rebated to Members in proportion to their payments. Any remaining assets of WECC shall be transferred to another organization exempt from tax under Section 501(a) of the Internal Revenue Code, or government agency, promoting the same purposes as WECC, as designated by the Board.

**16. Governing Law.**

Unless otherwise agreed, if any conflict of law arises under these Bylaws among the Members, the laws of the United States of America shall govern, as applicable. The venue for any legal

action initiated under these Bylaws shall be the city and state (or province) in which the headquarters of WECC is located.

## **17. WECC Transition**

The provisions of this Section shall apply to that period of time and activities associated with the transition of WECC from a hybrid Board of Directors to an independent Board of Directors with a Member Advisory Committee.

### **17.1 Board of Directors transition.**

17.1.1 The transition of WECC governance from a hybrid Board to an independent Board of Directors will be effective upon the effective date of Federal Energy Regulatory Commission approval of Section 6.1 establishing an independent Board (“Effective Date”). The non-affiliated directors of WECC, whose terms extend past the Effective Date, so willing to continue to serve, shall form part of the initial cadre of independent Directors. These continuing Directors shall be entitled to serve the remainder of their respective three-year terms of office.

### **17.2 Transition Exceptions**

The nomination, election and term of additional independent Directors shall be in conformance with the requirements of these bylaws, as amended, except:

17.2.1 The requirement that the Nominating Committee notify the Board Chair of the committee’s nominations sixty (60) days prior to an Annual Meeting shall not apply.

17.2.2 Appointments of Member Advisory Committee members to the Nominating Committee shall be made such that no one class can occupy more than one seat at a time and cannot have a representative on the committee more than two years in a row.

17.2.3 Director positions of non-affiliated directors of WECC, whose terms extend beyond the Effective Date, but whose directors resign or indicate they will resign prior to the Effective Date, will be filled through the same nomination and election process used to select additional independent directors as provided above.

17.2.4 Those Directors first elected as a result of this transition from a hybrid to an independent Board will draw lots to determine their term length determined to achieve the staggered terms required by Section 6.3.

17.2.5 The nomination and election of a number of additional Directors needed to seat the entire Independent Board as described in section 6.4 as of the Effective Date may occur prior to the Effective Date. While the nomination and election of an individual to a director position may occur prior to the Effective Date, such nomination and election shall have the full force and effect of these bylaws after the Effective Date.

### **17.3 Member Advisory Committee transition**

- 17.3.1 Initial Formation. When there is a meeting where Members vote to amend the WECC bylaws to provide for a Member Advisory Committee (MAC), the MAC will initially be constituted through elections conducted in conjunction with the same meeting.
- 17.3.2 Election of the initial MAC member representatives shall be as provided in these bylaws, as amended, except:
- 17.3.3 Where what had been the Class Seven membership category is combined with the Class Three membership category, Class Seven Members will indicate, prior to the meeting, whether they intend to continue participation in WECC as a member of the newly combined Class Three category. Entities so indicating will be considered members of Class Three for purposes of the initial formation of the MAC and shall be entitled to participate in elections for Class Three member representatives of the MAC.
- 17.3.4 Member Classes will not be allowed to subdivide into subclasses for purposes of electing class representative MAC members at the meeting where the MAC is initially formed and where initial MAC member elections are conducted.
- 17.3.5 The terms of each Class' three (3) initial Class representative members on the MAC shall be allocated, by the drawing of lots, such that the intended staggered terms for MAC members will be obtained, with one of a Class' initial MAC member representatives serving an initial term of one year, another two years, and another three years.

## **APPENDICES**

- A. Board Member Standards of Conduct
- B. Officers and Employees Standards of Conduct
- C. WECC Dispute Resolution Procedures

**Appendix A**  
**Standards of Conduct for**  
**Members of the WECC Board of Directors**

By accepting appointment to the Board of Directors (the “Board”) of the Western Electricity Coordinating Council (“WECC”), a Director agrees to abide by the duties required of corporate directors and trustees. Utah law (and similar law in other states) imposes quasi-fiduciary duties of care and loyalty on all corporate directors or trustees, including directors and trustees of nonprofit corporations. For as long as he or she remains a member of the Board of Directors of WECC, a Director will abide by the following standards of conduct.

- I. Duty of care. The Directors of a corporation are bound to use due care and to be diligent in respect to the management and administration of the affairs of the corporation. This duty of care is generally thought to have two components: the time and attention devoted to corporate affairs and the skill and judgment reflected in business decisions.
  - A. Each Director will regularly attend Board of Directors meetings, digest the materials sent to him or her, participate in Board discussions and make independent inquiries as needed.
  - B. In voting on any matter before the Board or otherwise acting in his or her capacity as a Director, each Director will:
    1. make reasonable inquiry to inform himself or herself of the nature and consequences of the matter or action at issue;
    2. exercise, at a minimum, the degree of care, skill, and diligence that an ordinarily prudent business person would exercise under similar circumstances; and
    3. act in a manner the Director, in the exercise of his or her independent judgment, believes to be in the best interests of WECC and the membership of WECC, taken as a whole.
  - C. In exercising the duty of care described in paragraphs IA and B above, a Director has the right to rely on statements by the persons immediately in charge of business areas of WECC, to rely on professionals and experts (such as engineers, accountants and lawyers) and to rely on committees of WECC, unless facts or circumstances appear which would prompt further concerns of the ordinarily prudent person.
- II. Duty of loyalty. The duty of loyalty imposes on a Director the obligation to remain loyal to WECC, acting at all times in the best interests of WECC and its Members as a whole and unhampered by any personal pecuniary gain. This duty does not preclude a Director from being employed in a competing or related business so long as the Director acts in good faith and does not interfere with the business of WECC.
  - A. Each Director will carry out his or her duties as a Director in good faith.

- B. Each Director will refrain from using any influence, access, or information gained through his or her service as a Director to confer any improper personal benefit (financial or otherwise) upon himself or herself, any family member, or any person living in the Director's household.
- C. Each Director will refrain from using any influence, access, or information gained through his or her service as a Director to confer an improper benefit (financial or otherwise) on any organization:
  - 1. for which the Director serves as an officer, director, employee, consultant, or in any other compensated or management position; or
  - 2. in which the Director or any family member or person living in the Director's household has a material financial interest (whether as a shareholder, partner, or otherwise).
- D. To the extent permitted by law, each Director will maintain the confidentiality of:
  - 1. any confidential or proprietary information of WECC disclosed or available to the Director;
  - 2. any confidential or proprietary information of WECC Member(s) to which the Director has access by virtue of his or her status as Director; and
  - 3. any confidential or proprietary information of third parties that has been provided to WECC or the Board on condition of confidentiality.
- E. Conflicts of Interest. Because conflicts of interest may arise from time to time, specific guidelines are provided. In general, conflicts of interest involving a Director are not inherently illegal nor are they to be regarded as a reflection on the integrity of the Board or of the Director. It is the manner in which the Director and the Board deal with a disclosed conflict that determines the propriety of the transaction.

Directors of nonprofit corporations may have interests in conflict with those of the corporation. The duty of loyalty requires that a Director be conscious of the potential for such conflicts and act with candor and care in dealing with these situations.

The following are guidelines for Directors with actual or potential conflicts of interest:

- 1. Each Director has a responsibility to recognize potential conflicts of interest and to be guided when acting as a Director by his or her independent judgment of what is in the best interests of WECC and the membership of WECC, taken as a whole. If any Director has questions about whether a conflict of interest exists, he or she may make inquiry to the Chief Executive Officer of WECC for advice.

2. Potential conflicts of interest may arise because of a Director's private, individual interests (personal conflicts of interest) or because of relationships the Director may have with other organizations or interest groups (organizational conflicts of interest). Current or past employment or other compensation-based relationships with one or more WECC Members are examples of potential organizational conflicts of interest. Whether a potential conflict of interest is personal or organizational, in all cases involving WECC affairs a Director's conflicting interests are subordinate to those of WECC and the membership of WECC, taken as a whole.
3. Personal conflicts of interest.
  - a. Personal conflicts of interest exist if a Director, a member of the Director's family, or a person sharing the Director's household: 1) has a material financial interest in a matter or transaction that comes before the Board for action; or 2) stands to receive a benefit (in money, property, or services) from a transaction involving WECC to which the person is not legally entitled.
  - b. In cases of personal conflicts of interest, the affected Director's obligations are to:
    - (1) disclose to the Board, before the Board acts with respect to that matter, the material facts concerning the Director's personal conflict of interest; and
    - (2) refrain from voting, and from attempting to influence the vote of any other Director(s), in those matters in which the Director has a personal conflict of interest.
4. Organizational conflicts of interest.
  - a. An organization has a "direct" conflict of interest if a decision by the Board would confer material benefits on that organization that other WECC Members would not share, or impose material detriments or costs on that organization that other WECC Members would not share. The fact that many if not all Members are affected to some extent by Board decisions on core issues such as standards, new transmission lines and their ratings, does not create or constitute a "direct" conflict of interest.
  - b. It is not a "direct" conflict of interest for a Director to be associated with an organization or an interest group that may stand to benefit from decisions made or actions taken by the Board, so long as the Director does not attempt to use his or her position as a Director to confer special



benefits on associated organizations or interest groups when other WECC Members would not share in those benefits.

- c. In cases of potential “direct” organizational conflicts of interest, the affected Director’s obligations are to:
- (1) disclose to the Board, before the Board acts with respect to the matter, the material facts concerning the organizational conflict of interest; and
  - (2) refrain from voting and from attempting to influence the vote of any other Director(s) with respect to the proposed action or decision.

**Appendix B**  
**Officers and Employee**  
**Standards of Conduct**

By accepting employment with the Western Electricity Coordinating Council (“WECC”), an Employee agrees to abide by these Standards of Conduct. For the purpose of these Standards, an Employee includes each and all officers, employees and substantially full-time consultants and contractors of WECC.

- I. Duty of care. The Employees of WECC are bound to use due care and to be diligent in respect to the management and administration of the affairs of the corporation. This duty of care is generally thought to have two components: the time and attention devoted to corporate affairs and the skill and judgment reflected in business decisions.

Employees shall not have any outside employment that limits in any way their ability to fulfill their employment responsibilities to WECC. If an Employee has any question about whether outside employment is consistent with this standard, they should consult with their supervisor.

- II. Duty of loyalty. The duty of loyalty imposes on an Employee the obligation to remain loyal to the WECC, acting at all times in the best interests of WECC and its Members as a whole and unhampered by any personal pecuniary gain. WECC expects all Employees to avoid adversely affecting the public’s confidence in the integrity and reputation of WECC. Any conduct or activities of any Employee should be capable of being justified and withstanding public scrutiny.
- A. Each Employee will carry out his or her duties as an Employee in good faith, with integrity and in a manner consistent with these Standards and all applicable laws governing WECC.
- B. Each Employee will refrain from using, or creating the appearance of using, any influence, access, or information gained through his or her service as an Employee to confer any improper personal benefit (financial or otherwise) upon himself or herself, or Family Member.<sup>1</sup> Employees shall not accept gifts or entertainment that would tend to affect, or give the appearance of affecting, the performance of their duties; provided, however, that Employees may accept de minimus food or entertainment or non-cash gifts received as part of a social or special occasion in amounts not to exceed \$1000 per source per year.
- C. Each Employee will refrain from using, or creating the appearance of using, any influence, access, funds or information gained through his or her service as an Employee to confer an improper benefit (financial or otherwise) on any organization. The obligation to avoid the appearance of impropriety shall apply in particular to any organization:

---

<sup>1</sup> For purposes of these Standards, a Family Member includes a spouse, domestic partner, child of the Employee, or a relative living in the same home as the Employee.

1. for which the Employee is serving or has in the past served as an officer, director, employee, consultant, or in any other compensated or management position; or
  2. in which the Employee, or Family Member has a material financial interest known to the Employee (whether as a shareholder, partner, or otherwise).
- D. Employees shall not use their WECC position, WECC funds or WECC resources to support any political party, candidate or proposition except as expressly authorized by the Board.
- E. To the extent permitted by law, each Employee shall maintain the confidentiality of:
1. any confidential or proprietary information of WECC disclosed or available to the Employee;
  2. any confidential or proprietary information of WECC Member(s) to which the Employee has access by virtue of his or her status as Employee; and
  3. any confidential or proprietary information of third parties that has been provided to WECC or the Board on condition of confidentiality.
- F. Conflicts of Interest. The following conflicts of interest policy shall apply to all WECC Employees. Conflicts of interest may arise from time to time. In general, conflicts of interest involving an Employee are not inherently illegal, nor are they to be regarded as a reflection on the integrity of WECC or of the Employee. It is the manner in which the Employee and WECC deal with a disclosed conflict that determines the propriety of the transaction. The following are guidelines for Employees with actual or potential conflicts of interest:
1. In general, personal conflicts of interest exist if an Employee, or a Family Member, has a material financial interest in a matter or transaction that comes before WECC for action, or stands to receive a benefit (in money, property, or services) from a transaction involving WECC to which the person is not legally entitled. For purposes of determining whether stock constitutes a material financial interest, see Paragraph F(6) below.
  2. Organizational conflicts of interest exist if an Employee, or a Family Member, has a relationship with an organization or interest group that would cause a reasonable person to believe such Employee's judgment, loyalty, or objectivity might be influenced in a way that is adverse to the interests of WECC.
  3. Where there is any question about potential conflicts of interest, the Employee shall disclose to the Chief Executive Officer as soon as possible and prior to when WECC takes action with respect to that matter, the material facts concerning the Employee's personal conflict of interest, and refrain from participating in, or from

attempting to influence the action of any Directors or Employee(s) of WECC regarding those matters in which the Employee has a conflict of interest.

4. No Employee may be an employee, director of, or consultant to or provide services to or be associated in any way with any WECC Member without full disclosure to, and written consent of, the Chief Executive Officer. To the extent that an Employee becomes aware that a Family Member is or will in the future be engaged in activity described in this Paragraph F(4), the Employee shall promptly notify the Chief Executive Officer, who shall review all the material facts and determine whether they constitute a conflict of interest pursuant to Paragraphs F(1) and F(2), above.
5. No Employee shall participate in any electric energy transaction other than for ordinary personal use except to the extent necessary to, and consistent with, the functions of WECC. Participation in an energy transaction includes, but is not limited to, purchasing, selling, marketing, or brokering of electricity, ancillary services, electricity transmission or electricity distribution. To the extent that an Employee becomes aware that a Family Member is or will in the future be engaged in activity described in this Paragraph F(5), the Employee shall promptly notify the Chief Executive Officer who shall review all the material facts and determine whether they constitute a conflict of interest pursuant to Paragraphs F(1) and F(2), above.
6. All Employees shall promptly disclose to the CEO and the Chair of the Board any direct or indirect financial interest in excess of \$5,000 (including the direct or indirect ownership of securities) held by the Employee or a Family Member living with the Employee<sup>2</sup> in any Electric Line of Business entity as defined in Section 3.15 of the Bylaws doing business in the Western Interconnection. Upon such disclosure, the CEO and the Chair of the Board shall determine whether such financial interest constitutes a conflict of interest, or the appearance thereof, in light of the duties of the Employee, the ability to divest such financial interest without undue hardship and the totality of the circumstances. In response to such disclosure, the CEO and the Chair may impose such remedies as are reasonable under the circumstances and consistent with section 9.3 of the Bylaws. Such remedies may include, but are not limited to, restrictions on the Employee's duties or involvement in certain matters, transfer of the Employee to another position, broader disclosure of the financial interest, voluntary or mandatory divestiture of the interest (in whole or in part) or other remedies. Pursuant to section 9.3.2 of the Bylaws, if an Employee (not a Family Member) receives a gift or inheritance of securities of a Member of WECC, or if a new Member joins WECC in which the

---

<sup>2</sup> Nothing in this section shall require an Employee to investigate the financial interests of Family Members not living with the Employee. However, to the extent known to the Employee, the financial interests of a Family Member not living with the Employee may create a potential conflict of interest (or appearance thereof) subject to Sections II(B) and/or II(F)(1) of these standards, in which case disclosure pursuant to Section II(F)(3) is appropriate.

Employee (not a Family Member) holds securities, the Employee must resign or divest such securities within six months thereafter. For the purposes of this section, none of the following shall constitute a direct or indirect financial interest:

- a. An interest that exists through diversified mutual funds;
- b. An interest that exists for six months following receipt of a gift or inheritance of securities of a Market Participant or acceptance of employment with WECC, whichever is later (provided that employees of the WSCC shall have two years from WECC organizational meeting to divest securities in their possession as of that date);
- c. An interest that exists through a pre-existing participation in a qualified defined benefits pension plan or health benefits plan of a Market Participant so long as the benefits under such plan do not vary with the economic performance or value of the securities of such Market Participant.

## Appendix C

### WECC Dispute Resolution Procedures

#### C. DISPUTE RESOLUTION.

C.1 Obligation To Comply with Dispute Resolution Procedures. If any dispute concerning one or more issues identified in Section C.2 below arises between a Member and one or more other Members, or between one or more Members and WECC, all of the parties to the dispute shall, to the extent permitted by law, be obligated to comply with the dispute resolution procedures specified in these Bylaws (except to the extent all of the parties to the dispute may agree otherwise as provided in Section C.4 below). Only Members and WECC have the right to invoke the provisions of this Appendix C and, except where all affected parties have separately agreed otherwise with respect to a particular dispute, only Members and WECC are obligated to carry out the dispute resolution procedures set forth herein. Any dispute subject to the provisions of this Appendix C to which WECC is made a party shall be subject to the additional requirements specified in Section C.3 below if the dispute is initiated by a party other than WECC. To the extent permitted by law (and except as otherwise permitted by the provisions of Section C.6.3), no party to a dispute subject to the provisions of this Appendix C may pursue any other available remedy with respect to the dispute until all of the parties to the dispute have fully complied with the dispute resolution procedures specified herein, *provided, however*, that if any party to a dispute subject to the provisions of this Appendix C refuses to comply with the dispute resolution procedures specified herein, all other parties to the dispute shall subsequently be relieved of any further obligation to comply with these dispute resolution procedures before pursuing other remedies in connection with that dispute.

C.2 Issues Subject to Dispute Resolution Procedures. Any dispute between or among the parties identified in Section C.1 above (that the parties to the dispute do not resolve through negotiations between or among themselves) shall be subject to the dispute resolution procedures set forth in this Appendix C if the dispute concerns: (i) the application, implementation, interpretation, or fulfillment of any guidelines, criteria, policies, procedures, or Bylaws of WECC or the North American Electric Reliability Council (or any successor organization); or (ii) any matter specified in Section C.6.2 below; except that any matter that is subject to the jurisdiction of the WECC Compliance Hearing Body is not subject to the requirements of this Appendix C. Notwithstanding the foregoing provisions of this Section C.2, however, neither WECC nor any Member shall be obligated to comply with the dispute resolution procedures of these Bylaws if: (a) the dispute is between two or more Members (or WECC), all of which, at the time of the dispute, are parties to the WECC Reliability Management System Agreement and the matter is within the scope of the dispute resolution procedures set forth in that agreement; or (b) the dispute is between two or more Members, all of which, at the time of the dispute, are parties to a separate agreement or treaty or where an applicable tariff, rate schedule, or other legal obligation of one of the parties provides for the parties to resolve the dispute in a manner other than in accordance with the provisions of this Appendix C of the Bylaws.

C.3 Limitations on Members' Rights To Make WECC a Party to a Dispute. In addition to the other provisions of this Appendix C of the Bylaws, any dispute (other than a dispute initiated by WECC) to which WECC is made a party shall be subject to the limitations set forth in Sections C.3.1 and C.3.2 below.

C.3.1 Bases for Using Dispute Resolution Procedures To Challenge WECC Action.

Subject to any limitation set forth in these Bylaws or in applicable statute, regulation or FERC order, one or more Members may use the dispute resolution procedures specified in this Appendix C to challenge any final action of WECC only on one or more of the following bases: (i) the action is contrary to applicable law or regulation; (ii) the action is contrary to WECC's Articles of Incorporation or these Bylaws (including WECC's purposes as set forth in those documents); (iii) the action was taken in violation of applicable procedures of WECC governing that action; or (iv) the action encompasses a decision in which there was plain error material to the decision. For purposes of this Appendix C, action taken by WECC shall be deemed final if: (a) the action has been taken or adopted or approved or accepted by WECC's Board of Directors (other than by a motion specifically providing that the action is conditional or will have temporary application not to exceed six months); (b) all conditions specified to make any conditional action of WECC's Board of Directors effective have been fulfilled; or (c) the action has been taken or adopted or approved or accepted by a committee, subcommittee, task force, or other group or person acting under authority of WECC without any provision making the action subject to further approval or adoption or acceptance by the Board of Directors. Nothing contained in this Appendix C shall limit any rights any Member (or any other party) may have under applicable law or regulation to initiate or participate in an administrative or legal action to which WECC is made a party in accordance with applicable provisions of law or regulation.



C.3.2 Obligation to Bear WECC's Share of Facilitator Costs. If one or more Members initiate a dispute under this Appendix C to challenge an action of WECC, the Member(s) initiating the challenge shall be obligated to bear all of the costs of facilitators' services incurred to comply with the requirement of Section C.5 below, except to the extent WECC agrees to pay a share of the costs of facilitators' services.

C.4 Ability to Modify Dispute Resolution Procedures by Agreement. Any provision of the dispute resolution procedures set forth in this Appendix C may be modified, waived, or omitted by agreement of all of the parties to the dispute. Parties to a dispute subject to these provisions are obligated to comply with its procedures unless all of the parties to the dispute agree to do otherwise. The manner in which the dispute resolution procedures set forth in this Appendix C may be varied include (by way of example and not as limitation): the manner of selecting a facilitator or arbitrator; the procedures or time lines to be followed during mediation or arbitration; the grounds or forum or right to appeal an arbitrator's decision; the manner of allocating fees and costs associated with the dispute; whether the parties are obligated to proceed to arbitration if the dispute is not resolved through mediation; and whether a decision rendered through arbitration is binding on the parties. In addition, any dispute that does not fall within the scope specified in Section C.2 above may be resolved according to the procedures set forth in Appendix C of these Bylaws if all of the parties to the dispute agree to do so.

C.5 Mediation.

C.5.1 Notice to Other Parties and WECC's Chief Executive Officer. To initiate the dispute resolution process with respect to a dispute governed by the provisions of

this Appendix C, the Member or WECC that has elected to initiate the dispute shall deliver to all other parties to the dispute and to WECC's Chief Executive Officer (whether or not WECC is a party to the dispute) written notice invoking the dispute resolution procedures set forth in this Appendix C (a "Dispute Notice").

C.5.1.1 The Dispute Notice shall: (i) include a brief, general description of the matter(s) in dispute; (ii) include a complete list of all other Members the party submitting the Dispute Notice intends to make a party to the dispute; and (iii) state whether or not WECC is to be made a party to the dispute.

C.5.1.2 Within five business days of receiving a Dispute Notice, any party to the dispute may elect to deliver a brief supplemental description of the dispute to WECC's Chief Executive Officer.

C.5.1.3 Within 10 business days of receiving an initial Dispute Notice, WECC's Chief Executive Officer shall: (a) publish (or cause to be published) in WECC's newsletter or on its electronic bulletin board a notice containing a list of the parties to the dispute and a summary of the descriptions of the matter(s) in dispute provided by the parties to the dispute; and (b) deliver to each party to the dispute a copy of WECC's then-current standing list of qualified facilitators, knowledgeable in the matters addressed by WECC (as approved by the Board of Directors).

C.5.1.4 No person may be listed on WECC's standing list of qualified facilitators unless the person has agreed to: (i) disclose, at any time the

person is selected to serve as a facilitator under this Appendix C, any personal or financial interest the facilitator may have with respect to the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the facilitator's immediate family members); (ii) disclose any relationship the facilitator may have with any party to the dispute that is not permitted under Section C.5.2 below; and (iii) abide by all applicable provisions of these Bylaws, including restrictions on disclosure of matters discussed and information exchanged during mediation as provided in Section C.5.3 below.

C.5.2 Selection of a Facilitator. Within 10 calendar days after the delivery of a Dispute Notice, the parties to the dispute shall select a neutral facilitator by mutual agreement. If the parties to the dispute cannot agree on a facilitator within 10 calendar days after delivery of a Dispute Notice, the facilitator shall be selected from WECC's standing list of qualified facilitators as follows: The parties to the dispute shall take turns striking names from WECC's standing list of qualified facilitators until there is only one name remaining. (The parties to the dispute shall draw lots to determine the order in which they take turns striking names.) The last person whose name remains on the list shall serve as the facilitator. No facilitator other than a facilitator chosen by agreement of all the parties to the dispute may (i) have a personal or financial interest in the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the facilitator's immediate family

members); or (ii) be (or have an immediate family member who is) a past or present director, commissioner, officer, employee, consultant, agent, or other representative of any of the parties to the dispute. If the facilitator selected through the process of striking names specified above is disqualified under the preceding sentence, the facilitator whose name was stricken last shall serve in his or her place. In addition, if WECC is a party to a dispute initiated by one or more Members, turns striking names from the standing list of qualified facilitators shall alternate between WECC on the one hand and all other parties to the dispute on the other.

C.5.3 Mediation Process. The facilitator and representatives of all of the parties to the dispute shall meet within 14 calendar days after the facilitator has been selected and attempt in good faith to negotiate a resolution to the dispute. Each party's representative designated to participate in the mediation process must have the authority to settle the dispute (or, at a minimum, be authorized to negotiate on behalf of the party and make recommendations with respect to settlement of the dispute if final authority to approve a settlement is reserved to a party's board, executive committee, commission, or other governing body). At the parties' initial meeting with the facilitator, the facilitator shall, after soliciting input from the parties to the dispute, set the schedule for further meetings among the parties to the dispute (subject to the 60-day maximum mediation period specified in Section C.5.6 below). The parties to the dispute shall comply with the schedule set by the facilitator and attempt in good faith at every meeting to negotiate a resolution to the dispute. To the extent permitted by law, neither the facilitator nor any party to the dispute may publicly disclose, rely on, or introduce as evidence in any subsequent arbitration, FERC proceeding, Canadian Regulatory

Authority proceeding, proceeding before a Mexican Regulatory Authority, appeal, or litigation concerning the same or any related dispute: (i) any views expressed or suggestions made by another party to the dispute with respect to a possible settlement of the dispute; (ii) admissions made by another party to the dispute in the course of the mediation proceedings; (iii) proposals made or views expressed by the facilitator; or (iv) the fact that another party to the dispute has or has not indicated willingness to accept a proposal for settlement made by the facilitator. In those cases in which a party to a dispute subject to the provisions of this Appendix C of the Bylaws is a membership organization (including WECC, if applicable), nothing in the preceding sentence shall prohibit that organization from reasonably communicating with its members and governing body to share general information about the dispute, such as the parties, status, disputed issues, and positions of each of the parties with respect to the disputed issues.

C.5.4 Referral for Resolution. With the consent of all parties to the dispute, a resolution may include referring the matter to a technical body (such as a technical advisory panel of WECC) for resolution or an advisory opinion, to arbitration, directly to FERC or, in a dispute involving a Canadian Member, directly to the appropriate Canadian Regulatory Authority, or, in a dispute involving a Mexican Member, directly to the appropriate Mexican Regulatory Authority.

C.5.5 Mediation Participation by WECC Staff When WECC Not a Party. If, during the course of mediation to which WECC is not a party, the facilitator or any party to the dispute wishes to solicit the views of WECC concerning the application, implementation, interpretation, or fulfillment of any guidelines, criteria, standards, policies, or procedures of WECC, the facilitator may request or permit the submission of WECC staff views only if: (i) any participation by WECC staff

takes place exclusively in the presence of all parties to the dispute; (ii) participating WECC staff members agree to be equally available upon request to all parties to the dispute; and (iii) participating WECC staff members agree to comply with the restrictions on disclosure contained in Section C.5.3.

C.5.6 Mediation Deemed at Impasse After 60 Days. If the parties to the dispute have met and negotiated in good faith in accordance with the schedule set by the facilitator but have not succeeded in negotiating a resolution of the dispute within 60 calendar days after the first meeting with the facilitator pursuant to Section C.5.3 above, the parties to the dispute shall be deemed to be at impasse and, except as otherwise provided in Section C.5.6.2 below, shall also be deemed to have fulfilled their obligations under Section C.1 of these Bylaws to fully comply with the dispute resolution provisions before pursuing any other available remedy. If any party participating in the mediation process is subject to a contractual or statutory limitations period with respect to the matter in dispute, and the limitations period will expire before the 60-day period for mediation under this Section C.5.6 is completed, then the parties shall be deemed at impasse on the seventh calendar day preceding the expiration of the shortest applicable limitations period.

C.5.6.1 Disputes Not Subject to Provisions of Section C.6.2. Unless the matter in dispute is subject to the provisions of Section C.6.2 below, at any time after the parties to the dispute are deemed at impasse, the dispute may be submitted to binding arbitration in accordance with the procedures set forth in Section C.7 of these Bylaws (but only by agreement of all of the parties to the dispute). If the matter in dispute is subject to the provisions of Section C.6.2 below, the parties' obligations with respect to submitting the matter to binding arbitration under Sections C.6 and C.7 of these Bylaws shall be as specified in Section C.5.6.2 below. In

all other cases, if the parties to the dispute do not agree to submit the dispute to binding arbitration in accordance with the procedures set forth in Section C.7 of these Bylaws, any party to the dispute may at any time thereafter pursue any other remedy available under regulation, law, or equity (subject to the restrictions on disclosure set forth in Section C.5.3 above).

C.5.6.2 Disputes Covered by Section C.6.2. If the parties to a dispute concerning a matter subject to the provisions of Section C.6.2 either: (i) are deemed at impasse after attempting to resolve the matter through mediation as provided in Sections C.5.1 through C.5.6 above; or (ii) have agreed to submit the matter directly to binding arbitration without attempting to resolve the matter through mediation as provided in Sections C.5.1 through C.5.6 above, the parties to the dispute shall submit the matter to binding arbitration in accordance with the procedures set forth in Sections C.6 and C.7 of these Bylaws.

C.5.7 Costs of Facilitator's Services. Except as otherwise provided under Section C.3.2, the costs of the facilitator's services shall be born equally by all parties to the dispute unless the parties to the dispute agree otherwise, but the parties also intend that the costs of mediation should be taken into account in any resolution proposed through the mediation process.

C.5.8 Notice to WECC of Completion of Mediation. Within 10 calendar days after either: (i) reaching a negotiated resolution through the mediation process set forth in Section C.5; or (ii) reaching deemed impasse in accordance with Section C.5.6 above, the parties to the dispute shall jointly deliver to WECC's Chief Executive Officer a written notice briefly describing the outcome of the mediation process. Promptly after receiving written notice describing the outcome of a mediation conducted in accordance with Section C.5, WECC's Chief Executive Officer shall

publish (or cause to be published) in WECC's newsletter or on its electronic bulletin board a brief description of the outcome of the mediation, together with a list of all of the parties to the dispute.

C.6 General Provisions Relating to Binding Arbitration.

C.6.1 Matters for Which Binding Arbitration is Elective. Except with respect to any dispute that concerns one or more matters specified in Section C.6.2 below, the binding arbitration procedures set forth in Section C.7 may be invoked only by agreement of all of the parties to the dispute to be arbitrated and are solely for the convenience of WECC and its Members. If a dispute governed by this Appendix C does not concern a matter specified in Section C.6.2 below, a party to the dispute shall be deemed to have fulfilled its obligations to comply with Appendix C of these Bylaws (irrespective of whether the parties to the dispute agree to proceed with binding arbitration) to the extent that either: (i) that party has fully performed the obligations set forth in Sections C.1 through C.5.8; or (ii) all of the parties to the dispute have agreed to a different process for resolving the dispute and the agreed-upon process has been fully carried out.

C.6.2 Matters for Which Binding Arbitration Is Obligatory. If a dispute is governed by Appendix C of these Bylaws and is not resolved through the process of mediation in accordance with Sections C.5.1 through C.5.6 above, the parties shall be obligated to submit the matter to binding arbitration in accordance with the procedures set forth in Section C.7 (subject to the limitations on the arbitrator's authority set forth in Section C.6.3 below) if the dispute concerns one or more of the following matters:



- C.6.2.1 a decision of WECC’s Board of Directors or a Committee of the Board acting on the recommendation of, or on a matter within the jurisdiction of, the Operating Transfer Capability Policy Group (“OTCPG”) or successor;
- C.6.2.2 a transmission path rating, or a modification to a transmission path rating, assigned to one or more transmission paths operated by a Member (or jointly operated by more than one Member);
- C.6.2.3 transmission access, pursuant to Sections 10.1.2, 10.1.3, and 10.5; or
- C.6.2.4 any matter that, by vote of both WECC’s Board of Directors and WECC’s Membership, is designated as a matter to be subject to the provisions of Section C.6.2 of these Bylaws, provided that any matter submitted to WECC’s Membership pursuant to this provision must be approved by at least the number of votes required to amend these Bylaws under Section 13.2.

C.6.3 Limitations on Arbitrator’s Authority with Respect to Matters Specified in Section C.6.2. Unless all of the parties to a dispute agree otherwise, an arbitrator rendering a decision with respect to any matter specified in Section C.6.2 above shall have no authority to consider or award remedies for past economic harm or damages of any kind, including without limitation actual or direct damages; indirect, consequential, or incidental damages; or exemplary or punitive damages. Nothing in this Section C.6.3 shall: (i) limit any rights that a party to a dispute concerning a matter specified in Section C.6.2 above may have to pursue legal claims for damages or other economic remedies after the arbitrator has rendered

his or her decision on that matter (within the scope of his or her authority under this Section C.6.3); or (ii) limit an arbitrator's authority under Section C.8 below to shift costs or impose monetary sanctions for "good cause" (as that term is defined in Section C.8).

C.6.4 Arbitration Decisions Not To Modify Underlying Rights and Obligations. Unless all of the parties to a dispute agree otherwise, the resolution through binding arbitration of any dispute governed by this Appendix C shall not have the effect of increasing, decreasing, or otherwise modifying WECC's or any Member's obligation to abide by, or ability to enforce or impose penalties or sanctions with respect to, any guidelines, criteria, standards, policies, procedures, decisions, or Bylaws of WECC or any limitation on the foregoing, whether established by law; regulation; judicial, executive, or administrative order, decree, or decision; tariff; contract; course of performance; treaty; or otherwise.

C.6.5 Laws Relating to Binding Arbitration. WECC and its Members recognize that some Members may be subject to laws (including without limitation United States federal or state laws, Canadian or provincial laws, or Mexican laws) that limit or define those Members' ability to agree in advance to be subject to binding arbitration. If a Member has the right or obligation under applicable law to refuse to submit to binding arbitration in connection with any dispute that would otherwise be subject to binding arbitration under Section C.6.2 of these Bylaws, that Member shall not be obligated to comply with the binding arbitration procedures set forth in Sections C.6 and C.7. Any Member subject to any law or other legally binding authority that may limit (or permit the Member to limit) its

obligation to comply with the provisions requiring binding arbitration under Sections C.6 and C.7 or to fully comply with a valid arbitrator's decision rendered in accordance with this Appendix C shall provide notice to this effect to all other disputing parties and WECC's Chief Executive Officer upon initiation of any dispute involving that Member if the dispute is subject to Section C.6.2. Upon receiving a notice under Section C.6.5, any other party to the dispute shall thereafter be relieved of any obligation to comply with the provisions Sections C.6 and C.7 in connection with that dispute, except to the extent that the Member giving notice agrees to be fully bound by procedures governing and results of any arbitration proceeding. If there are more than two parties to a dispute covered by the preceding sentence, however, then all parties to the dispute other than the party giving notice under Section C.6.5 shall make good faith efforts to establish a mutually acceptable approach for resolving among themselves whatever aspects of the dispute can reasonably be resolved through the procedures set forth in this Appendix C without the participation of the party giving notice under Section C.6.5. If any Member fails to submit to binding arbitration, or fails to abide by a valid arbitrator's decision rendered in accordance with this Appendix C, that Member shall thereafter have no right to enforce any of the provisions of Section C.6.2 (concerning obligations to submit specified disputes to binding arbitration) against any other Member or WECC until such time as the WECC Board of Directors, or a delegate designated by the Board, determines that it is appropriate to restore the Member's ability to enforce the provisions of Section C.6.2.

C.6.6 Consistency with Laws, Regulatory Jurisdiction and Orders, Etc. Nothing contained in this Appendix C and no arbitrator's decision rendered in accordance with Section C.7 shall be construed to require or shall otherwise operate to cause any Member or WECC to incur any obligation or take any action that is contrary to: (i) any applicable law or regulation; (ii) any applicable authority, order, decree, rule, or decision of a regulatory, judicial, administrative, executive, or other governmental body having jurisdiction over one or more of the matters or parties subject to this Appendix C or covered by an arbitrator's decision; or (iii) any applicable rate schedule, tariff, treaty, or valid, pre-existing contractual obligation with which any party subject to this Appendix C or covered by an arbitrator's decision is legally obligated to comply.

C.7 Arbitration Procedures.

C.7.1 Notice to WECC of Initiation of Binding Arbitration. Within 10 calendar days after all of the parties to a dispute have agreed (or become obligated under Section C.6.2 above) to submit the dispute to binding arbitration under Sections C.6 and C.7, the parties to the dispute shall deliver written notice to WECC's Chief Executive Officer (an "Arbitration Notice").

C.7.1.1 The Arbitration Notice shall: (i) include a brief, general description of the issues to be arbitrated; and (ii) identify all parties who have agreed (or become obligated) to submit the dispute to binding arbitration under Sections C.6 and C.7.

C.7.1.2 Within five business days of receiving an Arbitration Notice, WECC's Chief Executive Officer shall: (a) publish (or cause to be published) in

WECC's newsletter or on its electronic bulletin board a notice containing a list of the parties to the arbitration and the parties' brief, general description of the issues to be arbitrated; and (b) deliver to each party to the dispute a copy of WECC's then-current standing list of qualified arbitrators, knowledgeable in matters addressed by WECC (as approved by the Board of Directors).

C.7.1.3 No person may be listed on WECC's standing list of qualified arbitrators unless the person has agreed to: (a) disclose, at any time the person is selected to serve as a arbitrator under this Appendix C, any personal or financial interest the arbitrator may have with respect to the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the arbitrator's immediate family members); (b) disclose any relationship the arbitrator may have with any party to the dispute that is not permitted under Section C.7.2 below; (c) assemble a complete record of the arbitration process and the materials received as evidence by the arbitrator if any of the parties to the dispute elect to appeal or contest the arbitrator's decision; and (d) abide by all applicable provisions of and procedures specified by Sections C.6 and C.7.

C.7.2 Selection of an Arbitrator. Within 10 calendar days after all of the parties to a dispute have agreed (or become obligated) to submit the dispute to binding arbitration under Sections C.6 and C.7, the parties to the dispute shall select an arbitrator by mutual agreement. If the parties cannot agree on an arbitrator within

10 calendar days after agreeing to arbitrate their dispute, the arbitrator shall be selected from WECC's standing list of qualified arbitrators as follows: The parties to the dispute shall take turns striking names from WECC's standing list of qualified arbitrators until there is only one name remaining. (The parties to the dispute shall draw lots to determine the order in which they take turns striking names.) The last person whose name remains on the list shall serve as the arbitrator. No arbitrator other than an arbitrator chosen by agreement of all the parties to the dispute may (i) have a personal or financial interest in the matter(s) in dispute (including any indirect personal or financial interest that could arise because of interests or relationships affecting any of the arbitrator's immediate family members); or (ii) be (or have an immediate family member who is) a past or present director, commissioner, officer, employee, consultant, agent, or other representative of any of the parties to the dispute. If the arbitrator selected through the process of striking names specified above is disqualified under the preceding sentence, the arbitrator whose name was stricken last shall serve in his or her place.

C.7.3 Initial Statements and Proposed Arbitration Decisions. Within 10 calendar days after the selection of an arbitrator under Section C.7.2 above, each party to the dispute shall submit a statement in writing to all other parties to the dispute and to the arbitrator. Each disputing party's statement shall set forth in reasonable detail the nature of the dispute, the issues to be arbitrated, and the party's reasonable, good faith proposal for resolving the dispute. As provided in Section C.5.3 above, to the extent permitted by law, no party to an arbitration conducted under

Sections C.6 and C.7 shall publicly disclose, rely on, or introduce as evidence in any arbitration, FERC proceeding, Canadian Regulatory Authority proceeding, proceeding before a Mexican Regulatory Authority, appeal, or litigation concerning the same or any related dispute any information required to be kept confidential by the terms of Section C.5.3.

C.7.4 Procedural Matters. The arbitrator shall determine discovery procedures, how evidence shall be taken, what written submittals may be made, and other such procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed and the extent to which the credibility of witnesses is relevant to a resolution. Each party to the dispute shall produce all evidence determined by the arbitrator to be relevant and material to the issues presented. If such evidence involves proprietary or confidential information, the party submitting the evidence shall petition the arbitrator for a protective order, and to the extent the arbitrator determines there is good cause the arbitrator shall issue an appropriate protective order and all parties to the dispute shall comply with the protective order. The arbitrator may elect to resolve the arbitration matter solely on the basis of written evidence and arguments.

C.7.5 Out-of-Court Sworn Testimony. At the request of any disputing party, the arbitrator shall have the discretion to allow that party to examine witnesses through sworn out-of-court testimony (referred to in the United States as “deposition” and in Canada as “discovery”) to the extent the arbitrator deems the evidence sought to be relevant and appropriate. In general, out-of-court witness examinations shall be limited to a maximum of three per party and shall be held

within 30 calendar days after the making of a request. Each witness examination shall be limited to a maximum of three hours' duration. The arbitrator shall have the discretion to permit the number and duration of examination sessions allowed under this Section C.7.5 to be increased, and to extend the 30-day time limit, upon request for good cause shown. All objections are reserved for the arbitration hearing except for objections based on privilege and proprietary or confidential information.

C.7.6 Intervention by Other Parties. Unless all of the parties to the dispute agree otherwise, no one (whether a Member, WECC, or any other entity or person) that is not a party to a dispute at the initiation of arbitration under Sections C.6 and C.7 shall have the right to intervene in the arbitration. Any party wishing to intervene in an arbitration under Sections C.6 and C.7 may petition the arbitrator for permission to intervene, provided that the petition is submitted to the arbitrator not more than 30 calendar days after notice of the arbitration is posted by WECC's Chief Executive Officer in accordance with Section C.7.1. The arbitrator shall have the discretion to permit a party to intervene if the arbitrator determines that the party petitioning to intervene has a direct and substantial interest in the outcome of the arbitration. In exercising his or her discretion concerning a requested intervention, the arbitrator shall also consider any additional complexity or delay that may be caused by allowing the intervention and also any other remedies available to the party requesting intervention. Any party that is granted the privilege of intervening in an arbitration under Sections C.6 and C.7 shall be permitted to intervene subject to the same terms, conditions,



limitations, rights, and obligations of all other parties to the dispute, including without limitation the binding effect of arbitrator's decision, limitations on rights of appeal, the obligation to share equally in the costs of the arbitrator, and the obligation to be subject to the provisions of Section C.8.

C.7.7 Consideration of WECC Criteria, Etc. The Arbitrator shall give due consideration to the reliability criteria, standards, guidelines, policies, and procedures of WECC and the North American Electric Reliability Council (or any successor organization) to the extent they are relevant to resolution of the matter(s) in dispute. If the arbitrator's decision will include interpretation of any of WECC's reliability criteria, standards, guidelines, policies, and procedures, (and WECC is not a party to the arbitration), the arbitrator shall, before rendering his or her decision, consult with WECC (subject to the provisions of Section C.7.10 below) concerning the interpretation of WECC's applicable reliability criteria, standards, guidelines, policies, and procedures.

C.7.8 Evidence and Rebuttal. The arbitrator shall consider all issues material to the matter(s) in dispute. The arbitrator shall take evidence submitted by the parties to the dispute in accordance with procedures established by the arbitrator and may request additional information the arbitrator deems material to the resolution of the dispute. With the consent of all parties to the dispute, the arbitrator's request for additional information may include the opinion of any individual or organization with recognized expertise in the matter(s) in dispute, subject to the following conditions: (i) any verbal communication with an expert consulted by the arbitrator must take place exclusively in the presence of all parties to the

dispute and copies of any written communications must be provided to all parties to the dispute; (ii) any expert consulted by the arbitrator must agree to be equally available upon request to all of the parties to the dispute; (iii) any expert consulted by the arbitrator must agree to comply with the restrictions on disclosure contained in Section C.5.3; and (iv) all parties to the dispute shall be afforded a reasonable opportunity to question the expert and to rebut any additional information submitted by the expert at the request of the arbitrator.

C.7.9 Arbitrator's Decision. The arbitrator shall make all reasonable efforts to complete hearings (if applicable) and submissions of written evidence not more than 90 calendar days after receiving initial statements submitted under Section C.7.3 above. As soon as practicable, but in no event more than 30 calendar days after the completion of hearings and evidence submittals, the arbitrator shall render his or her final decision for resolving the dispute. By agreement of all of the parties to the dispute or at the discretion of the arbitrator for good cause, the foregoing deadline for delivery of the arbitrator's decision may be extended. The arbitrator's decision shall be based on the arbitrator's good faith determination of a resolution that will: (i) be consistent with any laws, rules, and regulations applicable to the matter(s) in dispute; (ii) be consistent with any valid pre-existing agreements among the parties to the dispute that bear on the matter(s) in dispute; (iii) not require any party to the dispute to take action that is not in compliance with any of WECC's reliability criteria, standards, guidelines, policies, and procedures; and (iv) best serve to promote or maintain reliable operation of the interconnected Bulk Electric System of the Western Interconnection, without

imposing inequitable burdens or benefits on any of the parties to the dispute or others that may be affected by implementation of the arbitrator's decision. The arbitrator shall deliver to each of the parties to the dispute, along with his or her decision, a written statement including specific findings of fact, conclusions of law (if applicable), and an explanation of the arbitrator's basis for rendering his or her decision. Subject to any protective order that may have been issued under Section C.7.4 above, WECC's Chief Executive Officer shall publish (or cause to be published) in WECC's newsletter or electronic bulletin board a brief summary of the arbitrator's decision. An arbitrator's decision that is not appealed shall not be deemed to be precedential in any other arbitration related to a different dispute.

C.7.10 WECC Staff Participation in Arbitration When WECC Not a Party. If, during the course of binding arbitration conducted under Sections C.6 and C.7 (in which WECC is not a party) the arbitrator or any party to the dispute wishes to solicit the views of WECC staff concerning the application, implementation, interpretation, or fulfillment of any guidelines, criteria, standards, policies, or procedures of WECC, the arbitrator may request or permit the submission of WECC staff views only with the consent of all of the parties to the dispute and only if: (i) any participation by WECC staff takes place exclusively in the presence of all parties to the dispute; (ii) participating WECC staff members agree to be equally available upon request to all parties to the dispute; and (iii) participating WECC staff members agree to comply with the restrictions on disclosure contained in Section C.5.3.

C.7.11 Compliance and Costs. Unless one or more of the parties to the dispute initiates and notifies all other parties to the dispute that it has initiated a process to contest or appeal the arbitrator's decision under Sections C.9 through C.13, upon the decision by the arbitrator, the parties to the dispute shall, within the time frame specified by the arbitrator, and, subject to Section C.6.6 above, take whatever action is required to comply with the arbitrator's decision to the extent the arbitrator's decision does not require regulatory action. To the extent the arbitrator's decision affects jurisdictional rates, terms and conditions of service, or facilities or otherwise requires local, state, federal, or provincial approval or regulatory action, or a FERC filing or a Canadian Regulatory Authority filing by a Canadian Member or a Mexican Regulatory Authority filing by a Mexican Member, the affected Member (or WECC, if WECC is the party with the obligation to seek regulatory action) shall, within the time frame specified by the arbitrator, submit the arbitrator's decision or an appropriate filing to implement the arbitrator's decision and support the appropriate authority's acceptance or approval of the arbitrator's decision or implementation filing, except in cases where any party to the dispute has given notice of its intent to contest or appeal the arbitrator's decision. All costs associated with the arbitration (not including costs associated with attorney and expert witness fees incurred by the parties to the dispute) shall be divided equally among the parties to the dispute unless: (i) all of the parties to the dispute agree to an alternate method of allocating costs; or (ii) in rendering his or her decision, the arbitrator exercises his or her discretion

under Section C.8 below to assess fees, costs, or other monetary sanctions against one or more of the parties to the dispute for good cause.

- C.7.12 Entry of Judgment. At any time after an arbitrator has rendered his or her decision in an arbitration conducted under Sections C.6 and C.7 (provided that the time provided for initiating an appeal under Sections C.11.1 and C.12 below has expired and no appeal or other means of contesting the arbitrator’s decision has been initiated), judgment on the decision rendered by the arbitrator may be entered by any court of competent jurisdiction (subject to the provisions of Sections C.6.3, C.6.4, and C.6.6 above). If the award is against the United States, a party to the arbitration may apply to the United States District Court for the district in which the principal office of the applicable United States department or agency is located for an order confirming the award pursuant to 5 U.S.C. § 580.
- C.8 Arbitrator’s Discretion to Shift Costs or Impose Sanctions for Cause. Each party to any dispute submitted to arbitration under Sections C.6 and C.7 shall bear its own costs and fees associated with representation and participation in the arbitration process, and shall share equally in the arbitrator’s fees except that the arbitrator shall have the discretion, to the extent permitted by law, to require one or more of the parties to the dispute to pay part or all of the costs and fees (including without limitation attorneys’ and arbitrator’s fees) of one or more other parties to the dispute, or to impose monetary sanctions on some other basis that is reasonable under the circumstances, for good cause. As used in this Section C.8, “good cause” means conduct involving serious abuse of or failure to comply with the dispute resolution process set forth in this Appendix C, willfully undertaken to harass or delay other parties to the dispute or to substantially impede the

arbitrator's ability to render a decision consistent with the provisions set forth in Section C.7.9.

C.9 Rights to Appeal Arbitration Decisions. Except to the extent otherwise provided by applicable United States state or federal law, applicable Canadian or provincial law, or applicable Mexican law, a party to a dispute resolved by arbitration under Sections C.6 and C.7 may appeal or contest the arbitrator's decision only on one or more of the bases specified in Section C.9.1 below and only in accordance with the procedures set forth in Sections C.9.2 through C.13.

C.9.1 Grounds for Appealing Arbitration Decisions. A party to a dispute resolved by arbitration under Sections C.6 and C.7 may contest or appeal the arbitrator's decision only on the basis that: (i) the arbitrator's decision is contrary to applicable law or regulation (including without limitation the FPA or FERC's then-applicable standards or policies, or comparable types of provisions that may apply under applicable Canadian, provincial, Mexican, or other laws and regulations); (ii) the arbitrator's decision is demonstrably arbitrary and capricious and without support in the record assembled during the arbitration; (iii) the arbitrator failed to afford one or more parties to the dispute an opportunity for a fair and meaningful hearing; (iv) the arbitrator engaged in serious misconduct in connection with the arbitration; (v) the arbitrator exceeded the authority conferred upon him or her under this Appendix C or as otherwise established by agreement of all the parties to the dispute; or (vi) the arbitrator's decision is contrary to the provisions of Section C.6.6.

C.9.2 Matter and One or More Parties to Dispute Subject to FERC Jurisdiction. If (i) the subject matter of a dispute arbitrated under Sections C.6 and C.7 is within the jurisdiction of FERC, and (ii) the conditions specified in Section C.12.1 or C.12.2 are satisfied, the rights of the parties to contest or appeal the arbitrator’s decision shall be as set forth in Sections C.10 and C.12 below (subject also to the provisions of Section C.9.1 above). Notwithstanding the foregoing, nothing herein shall be construed or operate to require any Canadian or Mexican party or any other party that is not a “public utility” within the meaning of the FPA to make any filing with FERC under Sections 205 or 206 of the FPA.

C.9.3 All Parties and Matters in Dispute Subject to Jurisdiction of a Canadian Regulatory Authority. If all of the parties to an arbitrated dispute are subject to the jurisdiction of a particular Canadian Regulatory Authority, and if all matters in dispute are also subject to the jurisdiction of the same Canadian Regulatory Authority, any disputing party may appeal an arbitrator’s decision to that Canadian Regulatory Authority, where such Canadian Regulatory Authority has jurisdiction to hear the appeal, or to the appropriate Canadian court. Any appeal to a Canadian Regulatory Authority or Canadian court shall be subject to the provisions set forth in Sections C.10 and C.11 below.

C.9.4 All Parties and the Matter in Dispute Subject to Jurisdiction of a Mexican Regulatory Authority. If all of the parties to an arbitrated dispute are subject to the jurisdiction of a particular Mexican Regulatory Authority, and if all matters in dispute are also subject to the jurisdiction of the same Mexican Regulatory Authority, any disputing party may appeal an arbitrator’s decision to the

appropriate Mexican Regulatory Authority, subject to the provisions set forth in Sections C.10 and C.11 below.

C.9.5 Appeal to Court. If none of the preceding provisions concerning appealing or contesting an arbitrator's decision before FERC, a Canadian Regulatory Authority, or a Mexican Regulatory Authority apply to an arbitrated dispute, any party to an arbitrator's decision rendered in accordance with the provisions of Sections C.6 and C.7 may appeal the arbitrator's decision to a court of competent jurisdiction as provided under Section C.13 below.

C.10 Appealing or Contesting Arbitrator's Decision to FERC or a Presiding Authority. Subject to the conditions specified in Sections C.9.1 through C.9.5 above, any disputing party may appeal or contest an arbitrator's decision to FERC or an appropriate Presiding Authority as follows:

C.10.1 Record on Appeal. Except as otherwise provided in Section C.10.3 below, any appeal or action to contest an arbitrator's decision to FERC or a Presiding Authority shall be based solely upon the record assembled by the arbitrator. All parties to arbitrations conducted under Sections C.6 and C.7 intend that: (i) the FERC or other Presiding Authority should afford substantial deference to the factual findings of the arbitrator; (ii) the portion, if any, of the arbitrator's decision relating to issues not of first impression (i.e., matters previously decided by the FERC or other Presiding Authority or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by the FERC or other Presiding Authority; and (iii) the



portion, if any, of the arbitrator's decision relating to issues of first impression should be afforded no deference by the FERC or other Presiding Authority.

C.10.2 No Expansion of Record on Appeal. Except as otherwise provided in Section C.10.3 below, no Member, non-Member, or WECC that has been a party to an arbitration under Sections C.6 and C.7 shall seek to expand the factual record before FERC or a Presiding Authority beyond that assembled by the arbitrator.

C.10.3 Exceptions to Limitations on Record on Appeal. If the arbitrator fails to assemble a complete record of the evidence submitted with respect to an arbitrated decision that is appealed pursuant to Sections C.9 through C.13, the parties to the appeal shall, notwithstanding the provisions of Sections C.10.1 and C.10.2 above, have the right to supplement the arbitrator's record before FERC or the Presiding Authority with any materials received into evidence by the arbitrator but omitted from the record assembled by the arbitrator. If an arbitrator's decision is appealed under Section C.9.1(iii) or (iv) above on the grounds that the arbitrator improperly excluded evidence so as to materially prejudice the outcome of the arbitration with respect to one or more of the parties to the dispute, any party to the appeal may submit the evidence asserted to be improperly excluded, but only as a basis to request that FERC or the Presiding Authority vacate the arbitrator's decision and remand the matter to the arbitrator (or, if FERC or the Presiding Authority determines that the arbitrator engaged in serious misconduct, to a newly selected arbitrator) for reconsideration of the matter with inclusion of the improperly excluded evidence. If an arbitrator's decision is appealed under Section C.9.1(iv)

above on the grounds of serious misconduct by the arbitrator, any party to the appeal may offer new evidence relating to the arbitrator's alleged misconduct.

C.11 Procedures for Appeals to Presiding Authority. If any party to an arbitration under Sections C.6 and C.7 desires to appeal an arbitrator's decision to an appropriate Presiding Authority, it shall provide written notice to that effect to all other parties to the arbitration, the arbitrator, and WECC's Chief Executive Officer within 14 calendar days following the date of the arbitrator's decision. If notice of appeal is timely provided:

C.11.1 Within 30 calendar days after the date of the appealing party's first notice of appeal, the party providing notice of appeal shall file its statement of position regarding the appeal with the Presiding Authority, together with the complete evidentiary record of the arbitration and a copy of the arbitrator's decision. The statement of position shall state that the appeal requested has been the subject of an arbitration pursuant to this Agreement.

C.11.2 Within 30 calendar days after the date of the appealing party's first notice of appeal, any other party that was a party to the arbitration may file its statement of position regarding the appeal with the Presiding Authority.

C.11.3 Copies of all materials filed with the Presiding Authority by any party during the course of an appeal shall be delivered to all other parties to the arbitration and to WECC's Chief Executive Officer.

C.11.4 Implementation of the arbitrator's decision shall be deemed stayed pending an appeal unless and until, at the request of a disputing party, the Presiding Authority issues an order shortening or extending the stay of implementation.

C.11.5 WECC's Chief Executive Officer shall publish (or cause to be published) a summary of each appeal in WECC's newsletter or electronic bulletin board.

C.11.6 The Members and WECC intend that any Presiding Authority's order resulting from an appeal under Sections C.9 and C.11 shall be subject to judicial review pursuant to laws governing the Presiding Authority and the matter in dispute that provide for judicial review of Presiding Authority action.

C.12 Procedures for Contesting or Appealing Arbitrator's Decision Before FERC. If any party to a dispute arbitrated under Sections C.6 and C.7 elects, subject to the limitations set forth in Sections C.9.1 through C.9.5 above, to contest or appeal an arbitrator's decision before FERC, the party so electing shall provide written notice to that effect to all other parties to the arbitration, the arbitrator, and WECC's Chief Executive Officer within 14 calendar days following the date of the arbitrator's decision. The provisions contained in Sections C.10.1, C.10.2, and C.10.3 above shall apply with respect to the record of the arbitration submitted to FERC. In addition, the following provisions shall apply:

C.12.1 FERC Filing by Prevailing Party. If the arbitrator's decision requires the prevailing party to take action that must have FERC approval or involves the provision of FERC-jurisdictional service by the prevailing party, the prevailing party shall file the arbitrator's decision or make an appropriate filing with FERC to implement the arbitrator's decision. Provided that it has given notice as required under Section C.12 above, any non-prevailing party may contest the prevailing party's filing in accordance with FERC's applicable rules and regulations.

C.12.2 Complaint to FERC by Prevailing Party. If the arbitrator’s decision requires a non-prevailing party to take action that must have FERC approval or involves the provision of FERC-jurisdictional service by any non-prevailing party, then, if the non-prevailing party has given notice as required under Section C.12 above, the prevailing party may submit the arbitrator’s decision to FERC in the form of a complaint.

C.13 Appeal to Court. If none of the provisions that govern appealing or contesting an arbitrator’s decision before FERC, a Canadian Regulatory Authority, or a Mexican Regulatory Authority as set forth in Sections C.9.2, C.9.3, or C.9.4 above apply, any disputing party may appeal an arbitrator’s decision to any court of competent jurisdiction, subject to the conditions specified in Section C.9.1 above. Except as otherwise provided in Section C.10.3 above (substituting the words “court of competent jurisdiction” for “FERC or the Presiding Authority”), any appeal to a court shall be based solely upon the record assembled by the arbitrator, and no Member, non-Member, or WECC who is a party to an arbitration under Sections C.6 and C.7 shall seek to expand the factual record before the court beyond that assembled by the arbitrator.

## **Appendix of Additional Definitions Relating to Alternative Dispute Resolution Provisions**

Arbitration Notice has the meaning specified in Section C.7.1 of these Bylaws.

Canadian Regulatory Authority. The agency or agencies established under the laws of Canada or the applicable Provinces of Canada and having jurisdiction over facilities, interconnections, transmission rates, charges, terms, and conditions of service of a Canadian Member.

Dispute Notice has the meaning specified in Section C.5.1 of these Bylaws.

FERC. The Federal Energy Regulatory Commission or a successor agency.

FPA. The Federal Power Act (16 U.S.C. §§ 824 *et. seq.*), as it may be amended from time to time.

Mexican Regulatory Authority. The agency or agencies established under the laws of Mexico or the applicable states of Mexico and having jurisdiction over facilities, interconnections, transmission rates, charges, terms, and conditions of service of a Mexican Member.

Presiding Authority. As used in Sections C.10 and C.11, the term “Presiding Authority” has the following meanings: with respect to an appeal to an appropriate Canadian Regulatory Authority, “Presiding Authority” means the presiding Canadian Regulatory Authority or Canadian court with jurisdiction to hear the appeal; and with respect to an appeal to an appropriate Mexican Regulatory Authority, “Presiding Authority” means the presiding Mexican Regulatory Authority or Mexican court with jurisdiction to hear the appeal.

**Attachment 5**

**Amended Exhibit C**

**of the Delegation Agreement between**

**North American Electric Reliability Corporation and**

**Western Electricity Coordinating Council**

**Clean Version**

## **Exhibit C – Regional Standard Development Procedure**

**Exhibit C shall set forth WECC’s standards development procedure, which NERC agrees meets the following common attributes:**

### **COMMON ATTRIBUTE 1**

Proposed regional reliability standards shall be subject to approval by NERC, as the electric reliability organization, and by FERC before becoming mandatory and enforceable under Section 215 of the FPA in the United States. In Canada and Mexico, regional standards must be approved by applicable governmental authorities before becoming mandatory in those respective jurisdictions. No regional reliability standard shall be effective within the WECC area unless filed by NERC with FERC, and any applicable authorities in Canada and Mexico, and approved by FERC and any applicable authorities in Canada and Mexico.

### **COMMON ATTRIBUTE 2**

WECC regional reliability standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A WECC reliability standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the bulk power system. A regional reliability standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

### **COMMON ATTRIBUTE 3**

WECC regional reliability standards, when approved by FERC and applicable authorities in Canada and Mexico, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the WECC area, regardless of membership in the region.

### **COMMON ATTRIBUTE 4**

**Requester** — The requester is the sponsor of the regional reliability standard request and may assist in the development of the standard. Any member of WECC, or group within WECC, shall be allowed to request that a regional reliability standard be developed, modified, or withdrawn. Additionally, any entity (person, organization, company, government agency, individual, etc.) that is directly and materially affected by the

reliability of the bulk power system in the WECC area shall be allowed to request a regional reliability standard be developed, modified, or withdrawn.

#### **COMMON ATTRIBUTE 5**

**WECC Standards Committee** — The WECC Standards Committee (WSC) manages the standards development process. The WSC will consider which requests for new or revised standards shall be assigned for development (or existing standards considered for deletion). The WSC will advise the WECC board on standards presented for adoption.

#### **COMMON ATTRIBUTE 6**

**Ballot body** — The ballot body consists of WECC members and non-members that have been determined eligible for the WECC Standards Voting Sectors. Each member of the ballot body is eligible to vote on Regional Reliability Standards and Regional Criteria, except that Participating Stakeholders may only vote on Regional Criteria that could result in a sanction to a non-WECC member. The WSC is responsible for overseeing the voting process for each document balloted.

#### **COMMON ATTRIBUTE 7**

WECC will coordinate with NERC such that the acknowledgement of receipt of a standard request identified in step 1, notice of comment posting period identified in step 5, and notice for vote identified in step 9 can be concurrently posted on both the WECC and NERC websites.

#### **COMMON ATTRIBUTE 8**

An acceptable standard request shall contain a description of the proposed regional reliability standard subject matter containing sufficiently descriptive detail to clearly define the purpose, scope, impacted parties, and other relevant information of the proposed standard.

#### **COMMON ATTRIBUTE 9**

Within 60 days of receipt of a completed standard request, the WSC shall determine the disposition of the standard request.



### **COMMON ATTRIBUTE 10**

The WSC may take one of the following actions:

- Accept the standard request as a candidate for development of a new standard, revision of an existing standard, or deletion of an existing standard. The WSC may, at its discretion, expand or narrow the scope of the standard request under consideration.
- Reject the standard request. If the WSC rejects a standard request, a written explanation for rejection will be delivered to the requester within 30 days of the decision.
- Remand the standard request back to the requester for additional work. The standards process manager will make reasonable efforts to assist the requester in addressing the deficiencies identified by the WSC. The requester may then resubmit the modified standard request using the process above. The requester may choose to withdraw the standard request from further consideration prior to acceptance by the WSC.

### **COMMON ATTRIBUTE 11**

Any standard request that is accepted by the WSC for development of a standard (or modification or deletion of an existing standard) shall be posted for public viewing on the WECC website within 30 days of acceptance by the committee.

### **COMMON ATTRIBUTE 12**

The WSC will select members of the drafting team.

### **COMMON ATTRIBUTE 13**

At the direction of the WSC, the standards process manager shall facilitate the posting of the draft standard on the WECC website, along with a draft implementation plan and supporting documents, for a no less than a 45-day comment period. The standards process manager shall provide notice to WECC stakeholders and other potentially interested entities, both within and outside of the WECC area, of the posting using communication procedures then currently in effect or by other means as deemed appropriate.

### **COMMON ATTRIBUTE 14**

The drafting team shall prepare a summary of the comments received and the changes made to the proposed standard as a result of these comments. The drafting team shall summarize comments that were rejected by the drafting team and the reason(s) that these comments were rejected, in part or whole. The summary, along with a response to each comment received will be posted on the WECC website no later than the next posting of the proposed standard.

#### **COMMON ATTRIBUTE 15**

Upon recommendation of the WSC, the standards process manager shall post the proposed standard and implementation plan for ballot and shall announce the vote to approve the standard, including when the vote will be conducted and the method for voting. Once the notice for a vote has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued.

#### **COMMON ATTRIBUTE 16**

The standards process manager shall schedule a vote by the ballot pool. The vote shall commence no sooner than 15 days following the issuance of the notice for the vote.

#### **COMMON ATTRIBUTE 17**

The WECC ballot pool shall consist of Ballot Body entities that have opted to vote on a specific standard. The ballot pool shall be able to vote on the proposed standard during a period of not less than 15 days.

#### **COMMON ATTRIBUTE 18**

. Each standard action requires formation of a ballot pool of interested members of the registered ballot body.

#### **COMMON ATTRIBUTE 19**

A weighted majority vote of the Ballot Pool is required for a draft standard to be approved by the WECC membership and Participating Stakeholders. Abstentions and negative votes cast without an explanation shall not count toward the results but will be counted in determining whether a quorum of the Ballot Pool is achieved.

### **COMMON ATTRIBUTE 20**

The WECC Board may only substantively modify the proposed regional reliability standard in accordance with its backstop authority as authorized by the WECC Bylaws.

### **COMMON ATTRIBUTE 21**

Once a regional reliability standard is approved by the board, the standard will be submitted to NERC for approval and filing with FERC and applicable authorities in Canada and Mexico.

### **COMMON ATTRIBUTE 22**

- **Open** - Participation in the development of a regional reliability standard shall be open to all organizations that are directly and materially affected by the WECC bulk power system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in WECC, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of drafting teams shall be open to the WECC members and others.

### **COMMON ATTRIBUTE 23**

- **Balanced** - The WECC standards development process strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.

### **COMMON ATTRIBUTE 24**

- **Inclusive** — Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the bulk power system in the WECC area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.

### **COMMON ATTRIBUTE 25**

- **Fair due process** — The regional reliability standards development procedure shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a

standard, a public comment period on the proposed standard, due consideration of those public comments, and a ballot of Participating Stakeholders.

**COMMON ATTRIBUTE 26**

- **Transparent** — All actions material to the development of regional reliability standards shall be transparent. All standards development meetings shall be open and publicly noticed on the regional entity’s Web site.

**COMMON ATTRIBUTE 27**

- Does not unnecessarily delay development of the proposed reliability standard.

**COMMON ATTRIBUTE 28**

Each standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of the reliability of the regional bulk power system. Each standard shall also be consistent with all of the reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence.

**COMMON ATTRIBUTE 29**

While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all regional reliability standards shall be consistent with NERC’s market interface principles. Consideration of the market interface principles is intended to ensure that standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

**COMMON ATTRIBUTE 30**

To ensure uniformity of regional reliability standards, a regional reliability standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

**COMMON ATTRIBUTE 31**

All mandatory requirements of a regional reliability standard shall be within the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself.

**COMMON ATTRIBUTE 32**

<b>Applicability</b>	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions.  If not applicable to the entire WECC area, then a clear identification of the portion of the bulk power system to which the standard applies. Any limitation on the applicability of the standard based on electric facility requirements should be described.
----------------------	--

**COMMON ATTRIBUTE 33**

<b>Measure(s)</b>	Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.
-------------------	--

**COMMON ATTRIBUTE 34**

<b>Compliance Monitoring Process</b>	Defines for each measure: <ul style="list-style-type: none"><li>• The specific data or information that is required to measure performance or outcomes.</li><li>• The entity that is responsible for providing the data or information for measuring performance or</li></ul>
--------------------------------------	---

	<p>outcomes.</p> <ul style="list-style-type: none"><li>• The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes.</li><li>• The entity that is responsible for evaluating data or information to assess performance or outcomes.</li><li>• The time period in which performance or outcomes is measured, evaluated, and then reset.</li><li>• Measurement data retention requirements and assignment of responsibility for data archiving.</li><li>• Violation severity levels.</li></ul>
--	--

**Attachment 6**

**Amended Exhibit C**

**of the Delegation Agreement between**

**North American Electric Reliability Corporation and**

**Western Electricity Coordinating Council**

**Redline Version**

## **Exhibit C – Regional Standard Development Procedure**

**Exhibit C shall set forth WECC’s standards development procedure, which NERC agrees meets the following common attributes:**

### **COMMON ATTRIBUTE 1**

Proposed regional reliability standards shall be subject to approval by NERC, as the electric reliability organization, and by FERC before becoming mandatory and enforceable under Section 215 of the FPA in the United States. In Canada and Mexico, regional standards must be approved by applicable governmental authorities before becoming mandatory in those respective jurisdictions. No regional reliability standard shall be effective within the WECC area unless filed by NERC with FERC, and any applicable authorities in Canada and Mexico, and approved by FERC and any applicable authorities in Canada and Mexico.

### **COMMON ATTRIBUTE 2**

WECC regional reliability standards shall provide for as much uniformity as possible with reliability standards across the interconnected bulk power system of the North American continent. A WECC reliability standard shall be more stringent than a continent-wide reliability standard, including a regional difference that addresses matters that the continent-wide reliability standard does not, or shall be a regional difference necessitated by a physical difference in the bulk power system. A regional reliability standard that satisfies the statutory and regulatory criteria for approval of proposed North American reliability standards, and that is more stringent than a continent-wide reliability standard, would generally be acceptable.

### **COMMON ATTRIBUTE 3**

WECC regional reliability standards, when approved by FERC and applicable authorities in Canada and Mexico, shall be made part of the body of NERC reliability standards and shall be enforced upon all applicable bulk power system owners, operators, and users within the WECC area, regardless of membership in the region.

### **COMMON ATTRIBUTE 4**

**Requester** — The requester is the sponsor of the regional reliability standard request and may assist in the development of the standard. Any member of WECC, or group within WECC, shall be allowed to request that a regional reliability standard be developed, modified, or withdrawn. Additionally, any entity (person, organization, company, government agency, individual, etc.) that is directly and materially affected by the



reliability of the bulk power system in the WECC area shall be allowed to request a regional reliability standard be developed, modified, or withdrawn.

#### **COMMON ATTRIBUTE 5**

**WECC Standards Committee and Standing Committees** — The WECC Standards Committee (WSC) manages the standards development process. The WSC will consider which requests for new or revised standards shall be assigned for development (or existing standards considered for deletion). ~~The WSC, with assistance from the standing committees,~~The WSC will advise the WECC board on standards presented for adoption.

#### **COMMON ATTRIBUTE 6**

**Ballot body** — The ballot body consists of WECC members and non-members that have been determined eligible for the WECC ~~Standard~~Standards Voting Sectors. Each member of the ballot body is eligible to vote on Regional Reliability Standards and Regional Criteria-, except that Participating Stakeholders may only vote on Regional Criteria that could result in a sanction to a non-WECC member. The WSC is responsible for overseeing the voting process for each standard document balloted.

#### **COMMON ATTRIBUTE 7**

WECC will coordinate with NERC such that the acknowledgement of receipt of a standard request identified in step ~~21~~, notice of comment posting period identified in step ~~45~~, and notice for vote identified in step ~~6 below are~~9 can be concurrently posted on both the WECC and NERC websites.

#### **COMMON ATTRIBUTE 8**

An acceptable standard request shall contain a description of the proposed regional reliability standard subject matter containing sufficiently descriptive detail to clearly define the purpose, scope, impacted parties, and other relevant information of the proposed standard.

#### **COMMON ATTRIBUTE 9**

Within ~~1460~~ days of receipt of a completed standard request, the WSC shall determine the disposition of the standard request.

### **COMMON ATTRIBUTE 10**

The WSC may take one of the following actions:

- Accept the standard request as a candidate for development of a new standard, revision of an existing standard, or deletion of an existing standard. The WSC may, at its discretion, expand or narrow the scope of the standard request under consideration.
- Reject the standard request. If the WSC rejects a standard request, a written explanation for rejection will be delivered to the requester within ~~14~~30 days of the decision.
- Remand the standard request back to the requester for additional work. The standards process manager will make reasonable efforts to assist the requester in addressing the deficiencies identified by the WSC. The requester may then resubmit the modified standard request using the process above. The requester may choose to withdraw the standard request from further consideration prior to acceptance by the WSC.

### **COMMON ATTRIBUTE 11**

Any standard request that is accepted by the WSC for development of a standard (or modification or deletion of an existing standard) shall be posted for public viewing on the WECC website within 30 days of acceptance by the committee.

### **COMMON ATTRIBUTE 12**

The WSC will select members of the drafting team.

### **COMMON ATTRIBUTE 13**

At the direction of the WSC, the standards process manager shall facilitate the posting of the draft standard on the WECC website, along with a draft implementation plan and supporting documents, for a no less than a 45-day comment period. The standards process manager shall provide notice to WECC stakeholders and other potentially interested entities, both within and outside of the WECC area, of the posting using communication procedures then currently in effect or by other means as deemed appropriate.

### **COMMON ATTRIBUTE 14**

The ~~WSC, with assistance from the~~ drafting team ~~as it requests~~, shall prepare a summary of the comments received and the changes made to the proposed standard as a result of these comments. The ~~WSC~~drafting team shall summarize comments that were rejected by the ~~WSC~~drafting team and the reason(s) that these comments were rejected, in part or whole. The summary, along with a response to each comment received will be posted on the WECC website ~~within 30 days of~~no later than the ~~close~~next posting of the ~~comment period~~proposed standard.

### **COMMON ATTRIBUTE 15**

Upon recommendation of the WSC, the standards process manager shall post the proposed standard and implementation plan for ballot and shall announce the vote to approve the standard, including when the vote will be conducted and the method for voting. Once the notice for a vote has been issued, no substantive modifications may be made to the proposed standard unless the revisions are posted and a new notice of the vote is issued.

### **COMMON ATTRIBUTE 16**

The standards process manager shall schedule a vote by the ~~WECC lead standing committee~~ballot pool. The vote shall commence no sooner than ~~{30}~~15 days following the issuance of the notice for the vote. ~~Voting shall begin no sooner than {7} calendar days following the Joint Session of the Standing Committees at which the draft standard was considered.~~

### **COMMON ATTRIBUTE 17**

The WECC ballot pool shall consist of Ballot Body entities that have opted to vote on a specific standard. The ballot pool shall be able to vote on the proposed standard during a period of not less than 15 ~~business~~ days.

### **COMMON ATTRIBUTE 18**

~~All Ballot Body members are eligible to participate in voting on proposed new standards, standard revisions or standard deletions.—. Each standard action requires formation of a ballot pool of interested members of the registered ballot body.~~

### **COMMON ATTRIBUTE 19**

A weighted majority vote of the Ballot Pool is required for a draft standard to be approved by the WECC membership and Participating Stakeholders. Abstentions and ~~non-responses~~negative votes cast without an explanation shall not count toward the results but will be counted in determining whether a quorum of the Ballot Pool is achieved.

#### **COMMON ATTRIBUTE 20**

The WECC Board may only substantively modify the proposed regional reliability standard in accordance with its backstop authority as authorized by the WECC Bylaws.

#### **COMMON ATTRIBUTE 21**

Once a regional reliability standard is approved by the board, the standard will be submitted to NERC for approval and filing with FERC and applicable authorities in Canada and Mexico.

#### **COMMON ATTRIBUTE 22**

- **Open** - Participation in the development of a regional reliability standard shall be open to all organizations that are directly and materially affected by the WECC bulk power system reliability. There shall be no undue financial barriers to participation. Participation shall not be conditioned upon membership in WECC, and shall not be unreasonably restricted on the basis of technical qualifications or other such requirements. Meetings of drafting teams shall be open to the WECC members and others.

#### **COMMON ATTRIBUTE 23**

- **Balanced** - The WECC standards development process strives to have an appropriate balance of interests and shall not be dominated by any two interest categories and no single interest category shall be able to defeat a matter.

#### **COMMON ATTRIBUTE 24**

- **Inclusive** — Any entity (person, organization, company, government agency, individual, etc.) with a direct and material interest in the bulk power system in the WECC area shall have a right to participate by: a) expressing a position and its basis, b) having that position considered, and c) having the right to appeal.

### **COMMON ATTRIBUTE 25**

- **Fair due process** — The regional reliability standards development procedure shall provide for reasonable notice and opportunity for public comment. At a minimum, the procedure shall include public notice of the intent to develop a standard, a public comment period on the proposed standard, due consideration of those public comments, and a ballot of Participating Stakeholders.

### **COMMON ATTRIBUTE 26**

- **Transparent** — All actions material to the development of regional reliability standards shall be transparent. All standards development meetings shall be open and publicly noticed on the regional entity's Web site.

### **COMMON ATTRIBUTE 27**

- Does not unnecessarily delay development of the proposed reliability standard.

### **COMMON ATTRIBUTE 28**

Each standard shall enable or support one or more of the reliability principles, thereby ensuring that each standard serves a purpose in support of the reliability of the regional bulk power system. Each standard shall also be consistent with all of the reliability principles, thereby ensuring that no standard undermines reliability through an unintended consequence.

### **COMMON ATTRIBUTE 29**

While reliability standards are intended to promote reliability, they must at the same time accommodate competitive electricity markets. Reliability is a necessity for electricity markets, and robust electricity markets can support reliability. Recognizing that bulk power system reliability and electricity markets are inseparable and mutually interdependent, all regional reliability standards shall be consistent with NERC's market interface principles. Consideration of the market interface principles is intended to ensure that standards are written such that they achieve their reliability objective without causing undue restrictions or adverse impacts on competitive electricity markets.

### **COMMON ATTRIBUTE 30**

To ensure uniformity of regional reliability standards, a regional reliability standard shall consist of the elements identified in this section of the procedure. These elements are intended to apply a systematic discipline in the development and revision of standards. This discipline is necessary to achieving standards that are measurable, enforceable, and consistent.

### **COMMON ATTRIBUTE 31**

All mandatory requirements of a regional reliability standard shall be within the standard. Supporting documents to aid in the implementation of a standard may be referenced by the standard but are not part of the standard itself.

### **COMMON ATTRIBUTE 32**

<b>Applicability</b>	Clear identification of the functional classes of entities responsible for complying with the standard, noting any specific additions or exceptions.  If not applicable to the entire WECC area, then a clear identification of the portion of the bulk power system to which the standard applies. Any limitation on the applicability of the standard based on electric facility requirements should be described.
----------------------	--

### **COMMON ATTRIBUTE 33**

<b>Measure(s)</b>	Each requirement shall be addressed by one or more measures. Measures are used to assess performance and outcomes for the purpose of determining compliance with the requirements stated above. Each measure will identify to whom the measure applies and the expected level of performance or outcomes required demonstrating compliance. Each measure shall be tangible, practical, and as objective as is practical. It is important to realize that measures are proxies to assess required performance or outcomes. Achieving the measure should be a necessary and sufficient indicator that the requirement was met. Each measure shall clearly refer to the requirement(s) to which it applies.
-------------------	--

### **COMMON ATTRIBUTE 34**

**Compliance  
Monitoring  
Process**

Defines for each measure:

- The specific data or information that is required to measure performance or outcomes.
- The entity that is responsible for providing the data or information for measuring performance or outcomes.
- The process that will be used to evaluate data or information for the purpose of assessing performance or outcomes.
- The entity that is responsible for evaluating data or information to assess performance or outcomes.
- The time period in which performance or outcomes is measured, evaluated, and then reset.
- Measurement data retention requirements and assignment of responsibility for data archiving.
- Violation severity levels.