

## **GRID WEST MEMBERSHIP PROCESS PROPOSAL**

In the draft bylaws, we have proposed simply listing “initial members.” The draft provision in Section 5.3.1 reads as follows:

The initial Members of the Corporation as of the date these Bylaws are adopted shall be as listed on Attachment B to these Bylaws. Except for Members that are eligible for and have been granted a waiver of membership fees (as noted on Attachment B), each Member listed on Attachment B to these Bylaws shall remain a Member for the balance of the calendar year during which these Bylaws were adopted so long as the Member either (i) has paid its membership fee as of the date these Bylaws are adopted or (ii) remits to the Corporation full payment of its membership fee within ten (10) days of receiving written notice from the Corporation that these Bylaws have been adopted and its membership fee is due.

This provision is designed to allow members of Grid West under the Developmental Bylaws to roll over their member status without any additional application or payment of membership fees if they desire. (If a member class definition changes, there may need to be additional review of eligibility or subclass assignment.) This provision also allows “declaratory members” of Grid West to become members when restructuring occurs, subject to payment of membership fees. (Again, if a member class definition changes, there may need to be additional review of eligibility or subclass assignment.)

The bylaws work group proposes to use this same pre-qualification approach to provide an opportunity for entities to become members of the anticipated new membership corporation while the technical feasibility assessment is being conducted. (Note that once Grid West adopts new bylaws and has again become a membership corporation, any eligible entity can become a member at any time.)

Two questions are addressed below: Why is this important? and How would it work?

### **Why Pre-qualify Grid West Members in December 2005 and January 2006?**

- This proposal is more efficient and will save time.
- An open, transparent process is also important.
- Grid West wants to attract interested stakeholders to become members and therefore needs to devise a membership process that works for those stakeholders.
- Having members identified when the Grid West bylaws are adopted allows seating of the independent board promptly after the technical feasibility work is reviewed and funding to move forward is in place.

### **How would Grid West pre-qualify additional members in December and January?**

- The Grid West Board will reconstitute a Membership Admissions Committee (MAC).
- Interested stakeholders will be asked to complete a “Membership Interest Form” substantially the same as the applications used during the Developmental Stage.

- Interest Forms will be accepted in December and January during the period set by Grid West after discussion at the December 6, 2005 Grid West Forum.
- The MAC will meet to review applications and let interested stakeholders know whether they will qualify as members (and in what member subclass) based on the draft bylaws distributed for comment.
- After the January 9, 2006 Grid West Forum, assuming the technical feasibility assessment is not a show-stopper, the bylaws work group will recommend final bylaws to the Grid West Board if it proceeds with restructuring.
  - If there are changes in any member class provisions, the MAC will review any affected Developmental Stage members, declaratory members, or stakeholders that submitted Interest Forms and promptly inform those parties what member class or subclass they will be in if they become members.
- As soon as the final recommended bylaws are posted in mid-January, Grid West will contact each party previously granted membership or declaratory membership under the Developmental Bylaws and each party that submitted an Interest Form to determine whether they wish to be listed as an initial member of the corporation. Parties wishing to be included in the initial list of members will be informed of the anticipated date by which the membership fee must be paid. Grid West will give notice of the confirmed date when funding is in place.

### **Proposed Timeline**

- **December 6, 2005**—Grid West Forum to discuss proposed bylaws and membership proposal
- **December 9, 2005**—Secretary posts Interest Forms on Grid West Website
- **December 12, 2005**—Board appoints Membership Admissions Committee (MAC)
- **December 12, 2005**—Begin receiving membership interest information (Those who were members or declaratory members under the Developmental Bylaws do not need to submit an Interest Form. Unless they have indicated a preference not to be a future member and have requested a refund, members and declaratory members will be automatically contacted in mid-January to see if they wish to be listed as initial members)
- **January 9, 2006**—Grid West Forum to discuss technical feasibility review and bylaws
- **Mid-January**—MAC meets periodically to review Interest Forms; interested parties are notified of the MAC's determination
- **Mid-January**—Recommended final bylaws posted
  - If a member class definition changes, MAC meets to provide additional review of eligibility or subclass assignments based on bylaws changes
    - Anyone affected by a change in membership class notified

- List of all initial members and qualified interested parties posted on Website
  - Notice to declaratory members and interested parties that membership can be activated by paying membership fees by February 3, 2006
    - Note: Any payments received before new bylaws are adopted will be held and refunded if the new bylaws aren't adopted
  - **January 20, 2006**—Any Interest Form submitted by this date will be guaranteed review and decision before the bylaws are adopted. Therefore, any party expressing interest by this date, and found eligible by the MAC, will be on the initial membership list. (Any other eligible parties can apply for membership any time after the bylaws have been adopted.)
    - If funding decision known, it will be announced on January 20
    - Parties submitting Interest Forms (and members and declaratory members under the Developmental Bylaws) will be contacted to determine whether they wish to be included in list of initial members
  - **January 23, 2006**
    - MAC meets to review final applications
    - Notice of meeting results to interested parties
    - Attachment to bylaws will be finalized with members' names and date of members' organizational meeting inserted;
    - Notice of initial members and expected members' organizational meeting on Website
  - **January 24, 2006**—Possible date for the Grid West Board meeting to accept funding agreement and adopt bylaws
- [Note: The dates listed below assume that the Grid West bylaws have been adopted on January 24, 2006 and would slip accordingly if the bylaws are adopted later.]*
- **January 25, 2006**—Notice to declaratory members and interested parties they may activate membership by paying membership fees by February 3, 2006
  - **February 3, 2006**—Payment of membership fees required to activate membership by contingent members
  - **February 4, 2006**—Secretary posts list of initial members eligible to vote for MRC
  - **February 8, 2006**—Members' organizational meeting; election of MRC
  - **February 9, 2006**—MRC meets
  - **March 15, 2006**—Deadline for election of independent Board