

Overview of Proposed Bylaw Changes

A. Developmental Bylaws

1. Authorize Developmental Board to engage in specified TIG-related services and require the Board to offer contracts to transmission owners within 120 days of the bylaws being amended. Board must endeavor to obtain executed agreements from BPA and at least two other transmission owners within 90 days of the offer.

2. Modify definition of Transmission Agreements to further distinguish them from contracts that may be offered to implement TIG-related services.

3. Provide for possibility of Corporation continuing in existence without meeting the requirements for moving to Operational Stage.

4. Authorize Developmental Board and Members to amend unadopted Operational Bylaws.

5. Require Developmental Board proposals for dissolution to obtain Member approval to proceed (rather than moving forward subject to a Member override).

6. Expand Developmental Board from five to seven members.

7. Impose certain requirements for Developmental Board to have knowledge of and experience with the power system in the Geographic Area.

- Two-thirds of candidates presented by the search firm for board vacancies must meet the requirement.
- A majority of the Developmental Board members must meet the requirement.
- Modifications to the voting process are provided to facilitate meeting this requirement.

B. Operational Bylaws

1. Impose same requirements on Operational Board with respect to knowledge of and experience with the power system in the Geographic Area.

2. Add three board actions to Special Issues List: (i) implementation of additional energy or capacity markets; (ii) request FERC approval as an RTO under Order 2000; and (iii) adoption of fiscal year budget that exceeds a specified measure by more than a specified percentage.

3. Provide for an MRC veto of Special Issues List proposals by at least 20 MRC votes against the Operational Board proposal.