

For discussion purposes only

Bylaws Issues for Discussion at RRG

I. Regional Accountability/Cost Management/Workability

A. Voting Structure of MRC

1. Increase the voting power for the largest TO's in the MTU class. (Unresolved)
2. Reduce the voting power of IPPs and Power Marketers to the benefit of other regional stakeholders (major TOs and NW States) (Revisited)
3. Revise TDU voting structure to provide 3 votes to non-generating publics and 3 votes to generating publics; alternatively, 2 sub-classes: a large TDU sub-class and a small TDU sub-class, each with 3 votes. (Unresolved)

B. Electing Board Members

1. Insert a preference for Trustees who are residents of Pacific Northwest. (Revisited)
2. Change the number of votes to elect and remove board member from 24 to 20. (Revisited)
3. Create a mechanism to force an election of board members. (Revisited)
4. Require at least one Trustee to have experience with the concerns of TDUs. (New)
5. Allow any 2 members of the MRC to nominate incumbent board members. (New)
6. Begin staggering terms after 3 years (alternatively, 2 years). (Revisited)
7. Change revolving door restriction from 180 days to 1 year. (Revisited)

C. Board Organization and Operation

1. Change quorum rules for board from 5 to 8. (Revisited)
2. Allow the board to engage in limited, non-decisional deliberations in executive sessions (such as training, retreats, conferences, etc). (Revisited)
3. Establish board/stakeholder Budget Committee to recommend annual budget. (New)
4. For annual budget: (Revisited)
 - Allow Members to obtain budget information prior to development of budget.
 - Require Members meetings prior to initiation of annual budget process to receive suggestions and proposals re priorities, cost control, and capital.
 - Require that ideas raised at budget meetings be summarized in writing and provided to Officers and Trustees, with copies provided to Members.
 - Require board to schedule meeting with Members to discuss proposed budget.
 - Require board to respond in writing to all written comments.
 - Require the Board to prepare a multi-year budget projection each year.
5. Require Board to prepare a multiyear financial plan covering at least 5 years and updated annually. (Revisited)
6. Establish a Governance Committee to focus on Board Governance. (New)
7. Establish other Member Standing Committees, such as Finance, Rates, Planning, Congestion Management, etc. (New)

D. Special Issues

1. Once a Special Issue is adopted, require a similar vote each time the proposal is subsequently modified. (Revisited)
2. On Financial Rights Special Issue, require board to act unanimously to overrule a veto by the MRC. (Revisited)
3. Expand the Special Issues list to include any proposal that is expected to increase total transmission costs to any class by 5%. (Revisited)
4. Require the MRC to approve a Special Issues List proposal by a majority vote, rather than supermajority of votes against the proposal. (Revisited)
5. Board cannot bring a rejected Special Issue proposal up for an override vote for a specified period. (New)
6. Remove the required 2-year periodic review of financial rights until Grid West adopts financial rights. (Revisited)
7. Remove the requirement that the board must consider both a new loss methodology and financial rights within 3 years of seating the board. (Revisited)

E. Other

1. Give the MRC a binding vote on whether to adopt operational bylaws by majority or super-majority vote. (New)
2. Members should have the right to see the overall consolidated control area package plan prior to voting on whether Grid West should go forward. (New)
3. Allow any 5 members to form a User Group that would have a right to bring an issue to the Board, which the board would have to consider. (New)
4. Include a mechanism by which Grid West can be dissolved in the event FERC issues an order requiring Grid West to take an action determined to be adverse to the interests of the region. (Revisited)
5. Require Member approval of mergers and sale of significant assets. (New)
6. Change MRC into a more active representative committee, with more frequent regular meetings, to address all issues that concern members. (Revisited)
7. Add to bylaws, a reference that existing contracts include other BPA contracts such as coordination agreements, etc. (Revisited)
8. Expand the time between Decision Points 2 and 3. (Revisited)

II. Bias Toward SMD/Advanced Target End State

1. Preclude the board from moving to financial rights until completion of a cost/benefit study shows positive value to the Grid West footprint and other RTOs are already implementing financial rights successfully. (Revisited)
2. Eliminate Narrative Description of Platform Proposal as an exhibit to Developmental Bylaws. Alternatively, clarify that reference to the Target End state in Narrative Description is not intended as a bias. (New)
3. Change the Company Rate Period to run ten years from date of operation. (Revisited)