



NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

June 13, 2011

**VIA ELECTRONIC FILING**

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: *North American Electric Reliability Corporation***  
**Docket No. RR11-\_\_\_-000**

Dear Ms. Bose:

The North American Electric Reliability Corporation (“NERC”) hereby submits this petition in accordance with Section 215(f) of the Federal Power Act and Section 39.10 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations, seeking approval of amendments to the NERC Rules of Procedure *Appendix 3B Election Procedure for Members of NERC Standards Committee* and changes to the Registered Ballot Body Criteria, which is being re-incorporated as a new *Appendix 3D*. The proposed amendments to *Appendix 3B* and *Appendix 3D* were approved by the NERC Board of Trustees on May 11, 2011.

**Appendix 3B**

The *Appendix 3B Election Procedure for Members of NERC Standards Committee* includes procedures used to facilitate the election of industry stakeholder segment representatives to the Standards Committee. The NERC Standards Committee consists of two representatives from each of the ten industry segments (listed below). The Standards Committee reports to the NERC Board of Trustees and oversees the development of NERC Reliability Standards. The Standards Committee members elect a Chairman and Vice Chairman to serve as officers and preside over the business of the committee for two years.

The proposed amendments would primarily: 1) require the Chair and Vice Chair of the Standards Committee to serve as non-voting members; 2) require a Canadian representative on the Standards Committee to be either a company or association incorporated in Canada; an agency of a federal, provincial, or local government in Canada; or any person with Canadian citizenship who is residing in Canada (currently there is no requirement to reside in Canada); and 3) simplify the process of filling vacant Standards Committee positions by eliminating the need to collect petitions and hold a ratification vote.

The purpose of these amendments is to eliminate potential conflicts of interest for elected officers of the Standards Committee, increase the likelihood that Canadian representatives are familiar with Canadian issues, and improve efficiency by shortening vacancies on the Standards Committee.

### **Appendix 3D**

On September 3, 2010, the Commission approved NERC's *Standard Processes Manual* to replace the *Reliability Standards Development Procedure Version 7*. The *Standard Processes Manual* became *Appendix 3A* to the NERC Rules of Procedure. While the retired *Reliability Standards Development Procedure Version 7* included the Registered Ballot Body Criteria, NERC inadvertently excluded the Registered Ballot Body Criteria when it filed the new *Standard Processes Manual*.

The Registered Ballot Body is organized on an industry segment basis, and persons or organizations joining the Registered Ballot Body must select membership in the appropriate segment (subject to review by NERC). The industry segments set forth in the Registered Ballot Body Criteria are:

Segment 1 – Transmission Owners;

Segment 2 – Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs);

Segment 3 – Load-Serving Entities (LSEs);

Segment 4 – Transmission Dependent Utilities (TDUs);

Segment 5 – Electric Generators;

Segment 6 – Electricity Brokers, Aggregators, and Marketers;

Segment 7 – Large Electricity End Users;

Segment 8 – Small Electricity Users;

Segment 9 – Federal, State, and Provincial Regulatory or other Government Entities; and

Segment 10 – Regional Entities.

NERC believes it is appropriate to re-incorporate the Registered Ballot Body Criteria into the NERC Rules of Procedure, as a new *Appendix 3D*, with certain minor modifications. The proposed modifications to the *Appendix 3D* Registered Ballot Body Criteria add clarity and bring the criteria up to date with changes in the industry, such as increased use of variable energy resources. NERC is not proposing any substantive changes in the industry segments that are currently in effect.

This petition consists of the following:

- This transmittal letter;
- A statement of basis and purpose of the amendments;
- A description of the process for amending Appendix 3B and 3D;
- *Appendix 3B—Election Procedure for Members of NERC Standards Committee (Attachment A)*; and
- *Appendix 3D—Registered Ballot Body Criteria (Attachment B)*.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Willie L. Phillips, Jr.  
Willie L. Phillips, Jr.

*Attorney for North American Electric  
Reliability Corporation*



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## **I. INTRODUCTION**

The North American Electric Reliability Corporation (“NERC”), in accordance with Section 215(f) of the Federal Power Act (“FPA”) and Section 39.10 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations, 18 C.F.R. §39.10, respectfully requests FERC approval of amendments and additions to the NERC Rules of Procedure. The proposed amendments and additions to the NERC Rules of Procedure reflect changes to *Appendix 3B Election Procedure for Members of NERC Standards Committee*; and changes to the Registered Ballot Body Criteria, which have been re-incorporated into a new *Appendix 3D*.

Accordingly, the documents for which approval is requested pertain to the following Sections of the NERC Rules of Procedure:

- i. *Appendix 3B – Election Procedure for Members of NERC Standards Committee*;
- ii. *Appendix 3D – Registered Ballot Body Criteria*; and

The proposed amendments to the NERC Rules of Procedure were approved by the NERC Board of Trustees on May 11, 2011. **Attachment A** contains a clean and redline version of *Appendix 3B – Election Procedure for Members of NERC Standards Committee*. **Attachment B** contains a clean and redline version<sup>1</sup> of *Appendix 3D Registered Ballot Body Criteria*.

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<sup>1</sup> The redline shows changes to the registered ballot body criteria previously contained within the Reliability Standard Development Procedure – Version 7.

## **II. NOTICES AND COMMUNICATIONS**

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

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\*Persons to be included on FERC's official service list. NERC requests waiver of FERC's rules and regulations to permit the inclusion of more than two people on the service list.

## **III. STATEMENT OF BASIS AND PURPOSE OF PROPOSED AMENDMENTS**

Section 215(f) of the FPA and Section 39.10 of the Commission's regulations require NERC, as the electric reliability organization ("ERO") in the United States, to file with FERC for its approval any proposed ERO rule or change to an ERO rule. "Electric Reliability Organization Rule" is defined in §39.1 of the Commission's regulations, 18 C.F.R. §39.1, to include the rules of procedure of the ERO. Such a filing must include "an explanation of the basis and purpose" of the proposed rule or rule change, and contain "a description of the proceedings conducted" by the ERO to develop the proposed rule or rule change.<sup>2</sup> The first requirement is addressed below in this Section III of this filing and the second requirement is addressed in Section IV.

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<sup>2</sup> 18 C.F.R. §39.10(a).

**A. Proposed Amendments to Section Appendix 3B—Election Procedure for Members of NERC Standards Committee**

The proposed amendments to the NERC Rules of Procedure *Appendix 3B Election Procedure for Members of NERC Standards Committee* were primarily made to incorporate three substantive changes to the election procedure.

First, the amended Appendix 3B would require the Chair and Vice Chair to serve as non-voting members of the Standards Committee. This change clarifies that the officers of the Standards Committee are expected to act on behalf of the industry as a whole, rather than on behalf of any particular industry segment. Under the amended Appendix 3B, seats vacated by the elected Chair and Vice Chair are filled during the next regular Standards Committee election. In the past year, the elected officers on the Standards Committee faced a conflict of interest when determining whether to vote on behalf of the industry segment that elected them or on behalf of the industry as a whole. The purpose of the proposed change is to eliminate this conflict of interest and to ensure that each industry segment maintains two representatives on the Standards Committee.

The amended Appendix 3B also added a criterion for the Canadian representative on the Standards Committee to specify whether the representative is an individual (as opposed to a company or agency) that has Canadian citizenship and resides in Canada. The purpose of this change is to increase the likelihood that the Canadian representative is familiar with Canadian issues. Currently, there is no such residency requirement. This change to the Standards Committee election criteria is consistent with the definition of “Canadian” in Section 200 of the NERC Rules of Procedure, which defines a “Canadian as: (a) a company or association incorporated or organized under the laws of Canada, or its designated representative(s) irrespective of nationality; (b) an agency of a federal, provincial, or local government in Canada,

or its designated representative(s) irrespective of nationality; or (c) a self-representing individual who is a Canadian citizen residing in Canada.

In addition, the amended Appendix 3B simplifies the process for managing special Standards Committee elections to fill vacant positions that occur mid-year by eliminating the need to collect petitions and hold a ratification vote. The purpose of this change is to improve efficiency and result in shorter vacancies.

Other minor, conforming changes are also included in amended Appendix 3B, which is included as **Attachment A** to this filing.

#### **B. Proposed Appendix 3D — Registered Ballot Body Criteria**

On September 3, 2010, the Commission approved NERC's *Standard Processes Manual*, to replace the *Reliability Standards Development Procedure Version 7*, which was included as Appendix 3A to the NERC Rules of Procedure.<sup>3</sup> While the *Registered Ballot Body Criteria* was included in the retired *Reliability Standards Development Procedure Version 7*, the new *Standard Processes Manual* excluded the criteria. NERC believes that it is appropriate to re-incorporate the *Registered Ballot Body Criteria* into the NERC Rules of Procedure, as a new Appendix 3D, with certain modifications. The proposed modifications to the *Appendix 3D Registered Ballot Body Criteria* add clarity and bring the criteria up to date with changes in the industry, such as increased use of variable resources. NERC is not proposing substantive changes in the Registered Ballot Body segments that are currently in effect. The changes and clarifications address questions that have arisen over the past four years of administering the Registered Ballot Body. Those changes include:

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<sup>3</sup> *Order Approving Petition and Directing Compliance Filing*, 132 FERC ¶ 61,200 (September 3, 2010).

1. For clarity, the term “individuals” replaces the term “persons” (in addition to entities) in the criteria of potential Registered Ballot Body members;
2. The Segment Qualification Guidelines were clarified to state that after members of each segment are selected, registered participants may apply to change those segments annually on a schedule determined by the Standards Committee;
3. Segment 2: The criterion for Regional Transmission Organizations was expanded to also include Independent System Operators.
4. Segment 3: A new criterion was added allowing agents or associations to represent groups of Load-Serving Entities;
5. Segment 5: A new criterion was added allowing agents or associations to represent groups of electric generators; and, for clarity, the language was expanded to expressly include variable and other renewable resources;
6. Segment 6: A new criterion was added allowing agents or associations to represent groups of electricity brokers, aggregators, or marketers; and a provision was added for inclusion of demand-side management providers;
7. Segment 8: A provision was added to clarify that individuals or entities, such as consultants, vendors, or trade associations, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 through 7 (and therefore eligible to join one of those segments) are not eligible to join Segment 8; clarified that individuals or entities that elect to participate in Segment 8 are not eligible to participate in multiple segments; and clarified that individuals who are employed by an entity registered in another segment are not eligible to join Segment 8; and
8. Regional Reliability Organizations were replaced in Segment 10 with Regional Entities.

Other minor conforming changes are also proposed to the Appendix 3D, which is included as **Attachment B** to this filing.

#### **IV. PROCESS FOR AMENDING APPENDICES 3B AND 3D OF THE NERC RULES OF PROCEDURE**

Section 2 of Article XI of the NERC Bylaws sets forth the required procedure for approval of amendments to the NERC Rules of Procedure:

**Section 2 — Adoption, Amendment, and Repeal of Rules of Procedure**

— Except as provided in Section 2 of Article XII, all Rules of Procedure, amendments thereto and repeals thereof shall be approved by the board. Proposals to adopt new Rules of Procedure or to amend or repeal existing Rules of Procedure may be submitted by (i) the Member Representatives Committee, (ii) any fifty (50) members of the Corporation, which number shall include members in at least three sectors, (iii) a committee of the Corporation to whose purpose and functions the Rule of Procedure pertains, or (iv) an officer of the Corporation. Unless the board determines that exigent conditions exist requiring adoption of a new Rule of Procedure or amendment or repeal of an existing Rule of Procedure in a shorter time, all proposals for adoption, amendment and repeal of Rules of Procedure shall be posted on the Corporation’s Web site and subject to public comment for a minimum of forty-five (45) days prior to action by the board. All Rules of Procedure and amendments to and repeals of Rules of Procedure approved by the board shall be submitted to the Commission and to other applicable governmental authorities for approval, and shall not be effective in the United States until approved by the Commission or in Canada or Mexico until approval is obtained from any governmental authority from which approval is required in those countries and subject to any conditions, limitations, or modifications required by the Commission or other governmental authority. Nothing in this Article shall be deemed to invalidate any Rule of Procedure of the Corporation that was in effect on November 1, 2006.

The requirements of Section 2 of Article XI were followed in obtaining approval of the proposed NERC Rules of Procedure amendments and additions that are the subject of this filing.

The proposed Appendices 3B and 3D were first posted for public comment from March 1, 2011 to April 15, 2011. Fifteen (15) sets of comments were received on the proposed modifications to *Appendix 3B Election Procedure for Members of NERC Standards Committee*. Comments on Appendix 3B were split on whether to adopt the proposed revisions. Several commenters proposed additional changes to improve clarity. However, two entities indicated that the revisions would destroy the balance amongst industry segments on the committee. This is a difference of opinion that cannot be resolved. One commenter indicated that restraining the officers from voting was not necessary as all other NERC committees allow their officers to vote. As noted above, the change to the voting rights of officers is a change that was proposed

by incumbent Standards Committee members who felt conflicted by trying to represent the industry segment that elected them at the same time they were trying to represent the industry as a whole.

Three commenters suggested adding more stringent language into the criteria for Canadian representatives and these suggestions were not adopted. If the criteria for representing Canada were made more stringent, by adding a minimum two-year residency in Canada, or by requiring that the Canadian representative have a minimum amount of work experience in the Canadian electricity industry, this would present Canadians with a higher threshold for Standards Committee eligibility than that required for United States representatives on the committee.

The following suggestions to add language to improve clarity were adopted and are shown in the redline version of the proposed revisions to Appendix 3B:

- To clarify that the officers are elected from incumbent Standards Committee members;
- To extend the term of office to two years to conform to other NERC committees;  
and
- To add language to clarify that the vacancies resulting from election of officers will be filled during the regular election of Standards Committee members.

Seven (7) sets of comments were received on the proposed *Appendix 3D Registered Ballot Body Criteria*. The majority of the comments received indicated that additional language added for clarity was not needed. However, the language was added to address issues raised by entities and individuals that posed questions about joining the Registered Ballot Body.

Following the comment period, NERC made only minor changes to the Appendix 3D criteria before submitting them to the NERC Board of Trustees for approval. No objection was raised to re-incorporating the Registered Ballot Body criteria into the Rules of Procedure.

The NERC Board of Trustees approved the proposed Appendix 3B and 3D documents at its May 11, 2011 meeting for filing with FERC.

## V. CONCLUSION

For the reasons stated in this filing, NERC respectfully requests that FERC, after providing notice and opportunity for public comment in accordance with §215(f) of the FPA and 18 C.F.R. §39.10, issue an order approving the proposed Appendices 3B and 3D to the NERC Rules of Procedure.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that I have served a copy of the foregoing document upon all parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 13th day of June, 2011.

/s/ Willie L. Phillips, Jr.  
Willie L. Phillips, Jr.

*Attorney for North American Electric  
Reliability Corporation*

## **Attachment A**

Clean and Redline Version of Appendix 3B – Election Procedure for Members of NERC  
Standards Committee

# NERC

NORTH AMERICAN ELECTRIC  
RELIABILITY CORPORATION

## Procedures for Election of Members of the Standards Committee

### Appendix 3B

to ensure  
the reliability of the  
bulk power system

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## **Purpose**

This procedure is provided for use by the NERC Standards Registered Ballot Body to facilitate the election of industry stakeholder segment (Segment)<sup>1</sup> representatives to the NERC Standards Committee. This procedure is a default process that is available, on a voluntary basis, for the benefit of all Segments of the Registered Ballot Body. The use of alternative procedures is described in a later section.

## **Responsibilities for This Procedure**

The NERC Board of Trustees provides oversight of the election of Standards Committee members. The Board provides the authority for approval of this procedure and any revisions thereto, and monitors any Segment-specific procedures that may be developed to ensure they are consistent with established principles.

The Standards Committee shall be responsible for advising the Board regarding the use of this procedure or any revisions to the procedure.

Each Registered Ballot Body entity shall be responsible for actively participating in the nomination and election of Standards Committee representatives for each Segment in which the entity is a member.

The Standards Process Manager (SPM) shall administer the implementation and maintenance of this procedure.

## **Guiding Principles**

This procedure supports a standards development process that is open, inclusive, balanced, and fair. This procedure shall be interpreted in a manner that is consistent with NERC's mission of promoting the reliability of the North American bulk electric systems, NERC Standard Processes Manual, NERC's Reliability and Market Interface Principles, and maintaining good standing as a standards developer accredited by the American National Standards Institute.

## **Standards Committee Membership**

Each valid<sup>2</sup> Segment shall be eligible to elect two voting members to represent the Segment on the Standards Committee. A registered entity may provide only one Standards Committee member, irrespective of the number of segments in which the entity is registered. Each representative that is elected by a Segment to fill one of those positions shall serve on behalf of the Registered Ballot Body entities in that Segment. An eligible position on the committee that is not filled by a Segment shall be shown as vacant and shall not be counted in the determination of a quorum. Each elected member of the Standards Committee (except for the officers who do not vote) shall carry one vote.

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<sup>1</sup> Industry stakeholder Segment criteria and a list of entities in the NERC Standards Registered Ballot Body are provided on the NERC web site. In this procedure, the term "Segment" shall mean one of the currently defined industry stakeholder Segments.

<sup>2</sup> Validity is determined by established Segment criteria, including the minimum number of entities in a Segment.

## **Standards Committee Membership Term**

The Standards Committee reports to the NERC Board of Trustees and is responsible for managing the NERC Standard Processes Manual and other duties as assigned by the Board.

The Standards Committee also serves for the benefit of the members of the Registered Ballot Body and is accountable to them through election by the Segment representatives. Standards Committee membership shall be for a term of two years, with members' terms staggered such that half of the member positions (one per Segment) are refilled each year by Segment election. Prior to the end of each term, nominations will be received and an election held in accordance with this procedure, or a qualified Segment procedure, to elect Standards Committee representatives for the next term. There is no limit on the number of two-year terms that a member of the Standards Committee may serve, although the setting of limits in the future is not precluded.

## **Standards Committee Officers**

Approximately 90 days prior to the end of each term, the Standards Committee shall elect a chairman and vice chairman (from among its members by majority vote of the members of the Standards Committee ) to serve as officers and preside over the business of the committee for the following two years. The officers shall serve a term of two years, starting in January of the following year, without limit on the number of terms an officer may serve, although the setting of limits in the future is not precluded. The chairman and vice chairman shall serve as non-voting members of the Standards Committee. The SPM serves as a non-voting member and secretary of the Standards Committee.

The vacancies in the Industry Segments and/or Canadian representation created by the selection of the chair and vice chair shall be filled at the annual election of representatives to the Standards Committee that is next held following the election of the chairman and vice chairman. When a representative is elected to serve as the chairman or vice chairman during the second year of a two year term, the representative elected to fill the vacancy shall serve a one year term.

## **Standards Committee Scope and Conduct of Business**

The Standards Committee conducts its business in accordance with a separate scope document, the Standard Processes Manual, other applicable NERC procedures, and procedures that the committee itself may develop. This procedure addresses the nomination and election of members of the committee and is not intended to otherwise establish or limit the scope, authorities, or procedures of the committee.

## **Segment Representative Nominations**

Approximately 90 days prior to the start of each term and after the election of officers, the SPM shall request nominations to fill Standards Committee positions that will become open with the expiration of the current term.

Notice of the nominations process shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists. The announcement shall include a brief

description of the responsibilities of the Standards Committee and estimates of the work effort and travel expected of Standards Committee members.

Any person or entity may submit a nomination. Self-nominations are encouraged.

To be eligible for nomination, a nominee shall be an employee or agent of an entity registered in the applicable Segment. To allow verification of affiliation, a nominee shall be a registered User in the NERC Registered Ballot Body. It is not required that the nominee be the same person as the entity's Registered Ballot Body representative for that Segment.

The SPM shall provide a method for the submittal of nominations, preferably an on-line nominations form using Internet protocols. The nomination form shall request the following information and other information that the SPM deems necessary to completing the election process:

### ***Nomination Information***

1. Segment for which the nomination is made.
2. Nominee name (selected from list of registrants).
3. Nominee job title.<sup>3</sup>
4. Nominee organization (must be an entity registered in the designated Segment).<sup>3</sup>
5. Nominee contact information: telephone, fax, e-mail, and mailing address.<sup>3</sup>
6. Nominee brief summary of qualifications related to serving on the Standards Committee (limited to a 3,000-character text box — approximately 500 words or one-page, single-spaced).
7. Indication (check box) that the nominee has been contacted and is willing to serve on the Standards Committee for a two-year term.
8. Person or entity making the nomination.
9. Contact information for person or entity making nomination: contact name, organization, telephone, fax, e-mail, and mailing address.

The SPM shall verify that each nomination received is complete and valid. The SPM may follow up with nominees to collect additional information.

In the event that multiple nominations are received for persons from a single entity within a Segment, that entity's representative shall determine which person will be the nominee from that entity.

The SPM shall post each nomination that is complete and valid. Each nomination shall be posted as soon as practical after it has been verified.

The nomination period shall remain open for 21 calendar days from the announced opening of the nominations, at which time the nominations shall be closed.

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<sup>3</sup> Information items 3–5 are provided automatically from the nominee during registration.

## **Segment Representative Elections**

The SPM shall prepare a slate of nominees for each Segment. The Segment slate shall consist of all valid nominations received for that Segment, without prejudice in the method of listing the slate.

The SPM shall provide an electronic ballot form for each Segment, listing the slate of nominees. Each Registered Ballot Body entity in a Segment may cast one vote per Standards Committee member position being filled (i.e. one vote if one position is being filled and two votes if two positions are being filled). In the case that an entity casts two votes within a Segment, each vote must be for a different candidate in that Segment (i.e. an entity cannot vote twice for a nominee within a Segment).

This ballot procedure is repeated for each Segment in which an entity is a member of the Registered Ballot Body. The ballot for each Segment is conducted independently from the ballots of other Segments. Only the entities in the Registered Ballot Body for a Segment may vote in that Segment.

The ballot period shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists.

The ballot period shall remain open for ten calendar days from the announced opening of the ballot period, at which time the ballot period shall be closed.

Votes may be cast by the Registered Ballot Body Representative for each entity, or a proxy designated by the representative. An entity may vote in each Segment in which it is registered.

Ballot results shall remain confidential during the ballot period. As soon as practical after the close of the ballot period, the SPM shall publicly post the election results for each Segment, (i.e. the names of elected members and slates for any run-off elections that may be required).

## **Election Formula**

The elected Standards Committee member for each Segment shall be the nominee receiving the highest total number of votes, with the condition that the nominee must receive a vote from a simple majority of the entities casting a vote in that Segment. If the election is being held for two positions in a Segment, the nominees receiving the highest and second highest number of votes shall be elected, with the condition that each nominee must receive a vote from a simple majority of the entities casting a vote in that Segment<sup>4</sup>. In this case, if only one of the two nominees meets these criteria, then that nominee shall be deemed elected.

In the event that the election is incomplete in a Segment's first ballot (no candidate or only one candidate meets the criteria), then a second ballot will be conducted in that Segment, using a process similar to that previously described. If two positions are remaining to be filled in the second ballot, the slate of candidates shall consist of the four candidates receiving the highest

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<sup>4</sup> Each entity in the Segment is allowed to cast two votes. This criterion means that more than fifty percent (>50%) of the entities cast one of their votes for that nominee.

number of votes in the first ballot. If one position is remaining to be filled in the second ballot, the slate shall consist of the two candidates receiving the highest number of votes. A candidate who was elected in the first ballot is considered elected and is excluded from the second ballot. In the event of a tie that precludes choosing the top four (or two) candidates, the slate will be expanded to include those candidates that are tied.

After the second ballot in the Segment, the candidate(s) receiving the highest number of votes shall be elected to fill the remaining position(s) in that Segment.

In the event of a tie between two or more candidates after a second ballot, a run-off ballot may be used to break the tie. The position shall remain vacant until the tie is broken by the Segment.

## **Representation from Canada**

To achieve balance of representation between the United States and Canada on the basis of net energy for load (NEL), the following special procedure shall apply:

1. If any regular election of Standards Committee members does not result in at least two Canadian members being elected, the Canadian nominees receiving the next highest percentage of votes within their respective Segment(s) will be designated as members, as needed to achieve a total of two Canadian members;
2. Each such specially designated Canadian member of the Standards Committee shall have a one year term, as the Standards Committee holds elections each year and special designation of members should not interfere with the regular election process;
3. If any segment, as defined in Rule of Procedure Appendix 3D , has an unfilled position following the annual Standards Committee election, the first preference is to assign each specially designated Canadian representative to an unfilled segment for which he or she qualifies;
4. Any such specially designated members of the Standards Committee shall have the same rights and obligations as all other members of the Standards Committee;
5. For the purpose of the Standards Committee election process, Canadian representation shall be defined as: any company or association incorporated in Canada, any agency of a federal, provincial, or local government in Canada, or any person with Canadian citizenship who is residing in Canada.

## **Special Elections**

The Standards Committee's officers shall determine the need for a special election to fill a vacant Standards Committee position between regular elections considering, among other things, the timing of the last and the next regular election. If a need is determined, the Standards Committee officers shall communicate a request to the Director of Standards, who shall initiate a process to conduct the election. The SPM shall post a request for nominations on the NERC web page and distribute the announcement to applicable NERC e-mail lists, e.g. the ballot body of the Segment(s) involved. The election will be held 30 days after the announcement and shall use the same election process and formula employed in regular elections. The Board of Trustees shall be notified of the election results.

## **Alternative Procedures**

This procedure is provided as the default method for Segments to elect representatives to the Standards Committee. Alternative procedures may be used by a Segment, or jointly by several Segments. Such a procedure shall be consistent with the principles noted in this document. Such a procedure shall be ratified by at least two-thirds of the registered entities in each Segment in which it will be applied, and is subject to review by the NERC Board.

# NERC

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RELIABILITY CORPORATION

## ~~Appendix 3B~~

# Procedures for Election Procedure for of Members of the **NERC** Standards Committee

**~~Effective January 18, 2007~~**

# Appendix 3B

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## Purpose

This procedure is provided for use by the NERC Standards Registered Ballot Body to facilitate the election of industry stakeholder segment (Segment)<sup>1</sup> representatives to the NERC Standards Committee. This procedure is a default process that is available, on a voluntary basis, for the benefit of all Segments of the Registered Ballot Body. The use of alternative procedures is described in a later section.

## Responsibilities for This Procedure

The NERC Board of Trustees provides oversight of the election of Standards Committee members. The Board provides the authority for approval of this procedure and any revisions thereto, and monitors any Segment-specific procedures that may be developed to ensure they are consistent with established principles.

The Standards Committee shall be responsible for advising the Board regarding the use of this procedure or any revisions to the procedure.

Each Registered Ballot Body entity shall be responsible for actively participating in the nomination and election of Standards Committee representatives for each Segment in which the entity is a member.

The Standards Process Manager (SPM) shall administer the implementation and maintenance of this procedure.

## Guiding Principles

This procedure supports a standards development process that is open, inclusive, balanced, and fair. This procedure shall be interpreted in a manner that is consistent with NERC's mission of promoting the reliability of the North American bulk electric systems, NERC [Reliability Standards Development Procedure](#)[Standard Processes Manual](#), NERC's Reliability and Market Interface Principles, and maintaining good standing as a standards developer accredited by the American National Standards Institute.

## Standards Committee Membership

Each valid<sup>2</sup> Segment shall be eligible to elect two voting members to represent the Segment on the Standards Committee. A registered entity may provide only one Standards Committee member, irrespective of the number of segments in which the entity is registered. Each representative that is elected by a Segment to fill one of those positions shall serve on behalf of the Registered Ballot Body entities in that Segment. An eligible position on the committee that is not filled by a Segment shall be shown as vacant and shall not be counted in the determination of a quorum. Each elected member of the Standards Committee ([except for the officers who do not vote](#)) shall carry one vote.

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<sup>1</sup> Industry stakeholder Segment criteria and a list of entities in the NERC Standards Registered Ballot Body are provided [at-on the NERC web site](#). In this procedure, the term "Segment" shall mean one of the currently defined industry stakeholder Segments.

<sup>2</sup> Validity is determined by established Segment criteria, including the minimum number of entities in a Segment.

## Standards Committee Membership Term

The Standards Committee reports to the NERC Board of Trustees and is responsible for managing the NERC ~~Reliability Standards Development Procedure~~Standard Processes Manual and other duties as assigned by the Board.

The Standards Committee also serves for the benefit of the members of the Registered Ballot Body and is accountable to them through election by the Segment representatives. Standards Committee membership shall be for a term of two years, with members' terms staggered such that half of the member positions (one per Segment) are refilled each year by Segment election. Prior to the end of each term, nominations will be received and an election held in accordance with this procedure, or a qualified Segment procedure, to elect Standards Committee representatives for the next term. There is no limit on the number of two-year terms that a member of the Standards Committee may serve, although the setting of limits in the future is not precluded.

## Standards Committee Officers

~~At~~Approximately 90 days prior to the ~~beginning~~end of each ~~annual~~ term, the Standards Committee shall ~~as a first order of business~~ elect a chairman and vice chairman (from among its members by majority vote of the members of the Standards Committee) to serve as officers and preside over the business of the committee. ~~for the following two years~~. The officers shall serve a term of ~~one~~two years, starting in January of the following year, without limit on the number of terms an officer may serve, although the setting of limits in the future is not precluded. The chairman and vice chairman shall serve as non-voting members of the Standards Committee. The SPM serves as a non-voting member and secretary of the Standards Committee.

The vacancies in the Industry Segments and/or Canadian representation created by the selection of the chair and vice chair shall be filled at the annual election of representatives to the Standards Committee that is next held following the election of the chairman and vice chairman. When a representative is elected to serve as the chairman or vice chairman during the second year of a two year term, the representative elected to fill the vacancy shall serve a one year term.

## Standards Committee Scope and Conduct of Business

The Standards Committee conducts its business in accordance with a separate scope document, the ~~Reliability Standards Development Procedure~~Standard Processes Manual, other applicable NERC procedures, and procedures that the committee itself may develop. This procedure addresses the nomination and election of members of the committee and is not intended to otherwise establish or limit the scope, authorities, or procedures of the committee.

## Segment Representative Nominations

Approximately 90 days prior to the start of each term and after the election of officers, the SPM shall request nominations to fill Standards Committee positions that will become open with the expiration of the current term.

Notice of the nominations process shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists. The announcement shall include a brief

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description of the responsibilities of the Standards Committee and estimates of the work effort and travel expected of Standards Committee members.

Any person or entity may submit a nomination. Self-nominations are encouraged.

To be eligible for nomination, a nominee shall be an employee or agent of an entity registered in the applicable Segment. To allow verification of affiliation, a nominee shall be a registered User in the NERC Registered Ballot Body. It is not required that the nominee be the same person as the entity's Registered Ballot Body representative for that Segment.

The SPM shall provide a method for the submittal of nominations, preferably an on-line nominations form using Internet protocols. The nomination form shall request the following information and other information that the SPM deems necessary to completing the election process:

### *Nomination Information*

1. Segment for which the nomination is made.
2. Nominee name (selected from list of registrants).
3. Nominee job title.<sup>3</sup>
4. Nominee organization (must be an entity registered in the designated Segment).<sup>3</sup>
5. Nominee contact information: telephone, fax, e-mail, and mailing address.<sup>3</sup>
6. Nominee brief summary of qualifications related to serving on the Standards Committee (limited to a 3,000-character text box — approximately 500 words or one-page, single-spaced).
7. Indication (check box) that the nominee has been contacted and is willing to serve on the Standards Committee for a two-year term.
8. Person or entity making the nomination.
9. Contact information for person or entity making nomination: contact name, organization, telephone, fax, e-mail, and mailing address.

The SPM shall verify that each nomination received is complete and valid. The SPM may follow up with nominees to collect additional information.

In the event that multiple nominations are received for persons from a single entity within a Segment, that entity's representative shall determine which person will be the nominee from that entity.

The SPM shall post each nomination that is complete and valid. Each nomination shall be posted as soon as practical after it has been verified.

The nomination period shall remain open for 21 calendar days from the announced opening of the nominations, at which time the nominations shall be closed.

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<sup>3</sup> Information items 3–5 are provided automatically from the nominee during registration.

## **Segment Representative Elections**

The SPM shall prepare a slate of nominees for each Segment. The Segment slate shall consist of all valid nominations received for that Segment, without prejudice in the method of listing the slate.

The SPM shall provide an electronic ballot form for each Segment, listing the slate of nominees. Each Registered Ballot Body entity in a Segment may cast one vote per Standards Committee member position being filled (i.e. one vote if one position is being filled and two votes if two positions are being filled). In the case that an entity casts two votes within a Segment, each vote must be for a different candidate in that Segment (i.e. an entity cannot vote twice for a nominee within a Segment).

This ballot procedure is repeated for each Segment in which an entity is a member of the Registered Ballot Body. The ballot for each Segment is conducted independently from the ballots of other Segments. Only the entities in the Registered Ballot Body for a Segment may vote in that Segment.

The ballot period shall be announced to the Registered Ballot Body and to others that may be interested in standards for the reliability of North American bulk electric systems. The SPM shall post the announcement on the NERC web page and distribute the announcement to applicable NERC e-mail lists.

The ballot period shall remain open for ten calendar days from the announced opening of the ballot period, at which time the ballot period shall be closed.

Votes may be cast by the Registered Ballot Body Representative for each entity, or a proxy designated by the representative. An entity may vote in each Segment in which it is registered.

Ballot results shall remain confidential during the ballot period. As soon as practical after the close of the ballot period, the SPM shall publicly post the election results for each Segment, (i.e. the names of elected members and slates for any run-off elections that may be required).

## **Election Formula**

The elected Standards Committee member for each Segment shall be the nominee receiving the highest total number of votes, with the condition that the nominee must receive a vote from a simple majority of the entities casting a vote in that Segment. If the election is being held for two positions in a Segment, the nominees receiving the highest and second highest number of votes shall be elected, with the condition that each nominee must receive a vote from a simple majority of the entities casting a vote in that Segment<sup>4</sup>. In this case, if only one of the two nominees meets these criteria, then that nominee shall be deemed elected.

In the event that the election is incomplete in a Segment's first ballot (no candidate or only one candidate meets the criteria), then a second ballot will be conducted in that Segment, using a process similar to that previously described. If two positions are remaining to be filled in the second ballot, the slate of candidates shall consist of the four candidates receiving the highest

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<sup>4</sup> Each entity in the Segment is allowed to cast two votes. This criterion means that more than fifty percent (>50%) of the entities cast one of their votes for that nominee.

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number of votes in the first ballot. If one position is remaining to be filled in the second ballot, the slate shall consist of the two candidates receiving the highest number of votes. A candidate who was elected in the first ballot is considered elected and is excluded from the second ballot. In the event of a tie that precludes choosing the top four (or two) candidates, the slate will be expanded to include those candidates that are tied.

After the second ballot in the Segment, the candidate(s) receiving the highest number of votes shall be elected to fill the remaining position(s) in that Segment.

In the event of a tie between two or more candidates after a second ballot, a run-off ballot may be used to break the tie. The position shall remain vacant until the tie is broken by the Segment.

## Representation from Canada

To achieve balance of representation between the United States and Canada on the basis of net energy for load (NEL), the following special procedure shall apply:

1. If any regular election of Standards Committee members does not result in at least two Canadian members being elected, the Canadian nominees receiving the next highest percentage of votes within their respective Segment(s) will be designated as members, as needed to achieve a total of two Canadian members;
2. Each such specially designated Canadian member of the Standards Committee shall have a one year term, as the Standards Committee holds elections each year and special designation of members should not interfere with the regular election process;
3. If any segment, as defined in ~~Appendix B~~ Rule of the Reliability Standards Development Procedure Appendix 3D, has an unfilled position following the annual Standards Committee election, the first preference is to assign each specially designated Canadian representative to an unfilled segment for which he or she qualifies;
4. Any such specially designated members of the Standards Committee shall have the same rights and obligations as all other members of the Standards Committee;
5. For the purpose of the Standards Committee election process, Canadian representation shall be defined as: any company or association incorporated in Canada, any agency of a federal, provincial, or local government in Canada, or any person with Canadian citizenship who is residing in Canada.

## Special Elections

~~Between regularly scheduled elections, a Segment may hold a special election to replace an existing member or fill a vacant position. A special election request may be requested by petition of ten entities or 25% of the entities registered in a Segment, whichever is less. It is the responsibility of the requester(s) to collect the requisite number of signatories to the petition and submit it to the SPM.~~

~~If SPM receives a valid petition for a special election, the SPM shall request that the Segment ratify the need for a special election. Ratification requires approval by a two-thirds majority of the entities registered in the Segment. If the request is ratified by the Segment, the SPM shall initiate the request for nominations and election as described later in this procedure.~~

### **Election of Members of the NERC Standards Committee Procedures**

The Standards Committee's officers shall determine the need for a special election to fill a vacant Standards Committee position between regular elections considering, among other things, the timing of the last and the next regular election. If a need is determined, the Standards Committee officers shall communicate a request to the Director of Standards, who shall initiate a process to conduct the election. The SPM shall post a request for nominations on the NERC web page and distribute the announcement to applicable NERC e-mail lists, e.g. the ballot body of the Segment(s) involved. The election will be held 30 days after the announcement and shall use the same election process and formula employed in regular elections. The Board of Trustees shall be notified of the election results.

### **Alternative Procedures**

This procedure is provided as the default method for Segments to elect representatives to the Standards Committee. Alternative procedures may be used by a Segment, or jointly by several Segments. Such a procedure shall be consistent with the principles noted in this document. Such a procedure shall be ratified by at least two-thirds of the registered entities in each Segment in which it will be applied, and is subject to review by the NERC Board.

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## **Attachment B**

Clean and Redline Version of Appendix 3D – Registered Ballot Body Criteria

# Appendix 3D — Development of the Registered Ballot Body<sup>1</sup>

## **Registration Procedures**

The Registered Ballot Body comprises all organizations, entities, and individuals that:

1. Qualify for one of the segments, and
2. Are registered with NERC as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each participant, when initially registering to join the Registered Ballot Body, and annually thereafter, shall self-select to belong to one of the segments described below.

NERC general counsel will review all applications for joining the Registered Ballot Body, and make a determination of whether the self-selection satisfies at least one of the guidelines to belong to that segment. The entity or individual will then be “credentialed” to participate as a voting member of that segment. The Standards Committee will decide disputes, with an appeal to the Board of Trustees.

All registrations will be done electronically.

## **Segment Qualification Guidelines**

1. Except as set forth below, the segment qualification guidelines are inclusive; i.e., any entity or individual with a legitimate interest in the reliability of the bulk power system that can meet any one of the guidelines for a segment is entitled to belong to and vote in that segment.
2. Corporations or organizations with integrated operations or with affiliates that qualify to belong to more than one segment (e.g., transmission owners and load serving entities) may belong to each of the segments in which they qualify, provided that each segment constitutes a separate membership and is represented by a different representative. Individuals or entities that elect to participate in Segment 8 are not eligible to participate in multiple segments.
3. At any given time, affiliated entities may collectively be registered only once within a segment.
4. Any individual or entity, such as a consultant or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 through 7 shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join.
5. Corporations, organizations, entities, and individuals may participate freely in all subgroups.
6. After their initial selection, registered participants may apply to change segments annually, on a schedule determined by the Standards Committee.
7. The qualification guidelines and rules for joining segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive. Public input will be solicited in the review of these guidelines.

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<sup>1</sup> The segment qualification guidelines were proposed in the final report of the NERC Standing Committees Representation Task Force on February 7, 2002. The Board of Trustees endorsed the industry segments and weighted segment voting model on February 20, 2002 and may change the model from time to time.

8. Since all balloting of standards will be done electronically, any registered participant may designate a proxy to vote on its behalf. There are no limits on how many proxies a person may hold. However, NERC must have in its possession, either in writing or by email, documentation that the voting right by proxy has been transferred.

## **Segments**

### **Segment 1. Transmission Owners**

- a. Any entity that owns or controls at least 200 circuit miles of integrated transmission facilities, or has an Open Access Transmission Tariff or equivalent on file with a regulatory authority.
- b. Transmission owners that have placed their transmission under the operational control of an RTO or ISO.
- c. Independent transmission companies or organizations, merchant transmission developers, and transcos that are not RTOs or ISOs.
- d. Excludes RTOs and ISOs that are eligible to join to Segment 2.

### **Segment 2. Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs)**

- a. Any entity authorized by appropriate governmental authority to operate as an RTO or ISO.

### **Segment 3. Load-Serving Entities (LSEs)**

- a. Entities serving end-use customers under a regulated tariff, a contract governed by a regulatory tariff, or other legal obligation to serve.
- b. A member of a generation and transmission (G&T) cooperative or a joint-action agency is permitted to designate the G&T or joint-action agency to represent it in this segment; such designation does not preclude the G&T or joint-action agency from participation and voting in another segment representing its direct interests.
- c. Agents or associations can represent groups of LSEs

### **Segment 4. Transmission Dependent Utilities (TDUs)**

- a. Entities with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depend primarily on the transmission systems of third parties to provide this service.
- b. Agents or associations can represent groups of TDUs.

### **Segment 5. Electric Generators**

- a. Affiliated and independent generators, including variable and other renewable resources.
- b. A corporation that sets up separate corporate entities for each one or more generating plants in which it is involved may only have one vote in this segment regardless of how many single-plant or multiple-plant corporations the parent corporation has established or is involved in.
- c. Agents or associations can represent groups of electrical generators.

### **Segment 6. Electricity Brokers, Aggregators, and Marketers**

- a. Entities serving end-use customers under a power marketing agreement or other authorization not classified as a regulated tariff.
- b. An entity that buys, sells, or brokers energy and related services for resale in wholesale or retail markets, whether a non-jurisdictional entity operating within its charter or an entity licensed by a jurisdictional regulator.
- c. G&T cooperatives and joint-action agencies that perform an electricity broker, aggregator, or marketer function are permitted to belong to this segment.

- d. Agents or associations can represent groups of electricity brokers, aggregators, or marketers.
- e. This segment also includes demand-side management providers.

**Segment 7. Large Electricity End Users**

- a. At least one service delivery taken at 50 kV (radial supply or facilities dedicated to serve customers) that is not purchased for resale.
- b. A single customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents or associations can represent groups of large end users.

**Segment 8. Small Electricity Users**

- a. Service taken at below 50 kV.
- b. A single customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents, state consumer advocates, or other advocate groups can represent groups of small customers.
- d. Any entity or individual currently employed by an entity that is eligible to join one or more of the other nine segments, shall not be qualified to join Segment 8.
- e. Any individual or entity, such as a consultant, employee or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 through 7, including trade associations representing such Segments, shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join and shall not be eligible to join segment 8.

**Segment 9. Federal, State, and Provincial Regulatory or other Government Entities**

- a. Does not include federal power management agencies or the Tennessee Valley Authority.
- b. May include public utility commissions.

**Segment 10. Regional Entities**

- a. Any entity that is a regional entity, as defined in NERC's Bylaws. It is recognized that there may be instances in which an entity is both an RTO or ISO and a regional entity. In such a case, the two functions must be sufficiently independent to meet NERC's Rules of Procedure and applicable regulatory requirements, as evidenced by the approval of a regional entity delegation agreement. Without such an approval, the entity shall be limited to choosing to enter one segment or the other, but not both.

# Appendix 3DB — Development of the Registered Ballot Body<sup>1</sup>

## Registration Procedures

The Registered Ballot Body comprises all organizations, ~~and~~ entities, and individuals that:

1. Qualify for one of the segments, and
2. Are registered with NERC as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each participant, when initially registering to join the Registered Ballot Body, and annually thereafter, ~~will shall~~ self-select to belong to one of the segments described ~~above~~below.

NERC general counsel will review all applications for joining the Registered Ballot Body, and make a determination of whether the self-selection satisfies at least one of the guidelines to belong to that segment. The organization, entity or individual will then be “credentialed” to participate as a voting member of that segment. The Standards Committee will decide disputes, with an appeal to the Board of Trustees.

All registrations will be done electronically.

## Segment Qualification Guidelines

1. ~~Except as set forth below,~~ The segment qualification guidelines are inclusive; i.e., any organization, entity or individual with a legitimate interest in the reliability of the bulk power system that can meet any one of the guidelines for a segment is entitled to belong to and vote in that segment.

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~~The general guidelines for all segments are:~~

2. ~~Corporations or~~ Organizations or entities with integrated operations or with affiliates that qualify to belong to more than one segment (e.g., transmission owners and load serving entities) may belong to each of the segments in which they qualify, provided that each segment constitutes a separate membership and is represented by a different representative. ~~Organizations, Individuals or entities or individuals that elect to participate in Segment 8 are not eligible to participate in multiple segments.~~
- 2.—
3. At any given time, affiliated organizations or entities may collectively be registered only once within a segment.
- 3.—
4. Any ~~person individual or~~ organization, entity or individual, such as a consultant or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 ~~to~~through 7 shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join.
- 4.—
5. ~~Corporations, or~~ Organizations, and entities ~~and~~ individuals may participate freely in all subgroups.
- 5.—

<sup>1</sup> The segment qualification guidelines were proposed in the final report of the NERC Standing Committees Representation Task Force on February 7, 2002. The Board of Trustees endorsed the industry segments and weighted segment voting model on February 20, 2002 and may change the model from time to time. ~~The latest version (approved or endorsed by the NERC Board of Trustees) shall be used in the NERC Reliability Standards Development Procedure.~~

~~6.~~ After their initial selection, registered participants may apply to change segments annually, ~~according to a defined schedule on a schedule determined by the Standards Committee.~~

~~6.~~  
~~7.~~ The qualification guidelines and rules for joining segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive. Public input will be solicited in the review of these guidelines.

~~7.~~  
8. Since all balloting of standards will be done electronically, any registered participant may designate a proxy to vote on its behalf. There are no limits on how many proxies a person may hold. However, NERC must have in its possession, either in writing or by email, documentation that the voting right by proxy has been transferred.

## Segments

### Segment 1. Transmission Owners

- a. Any entity that owns or controls at least 200 circuit miles of integrated transmission facilities, or has an Open Access Transmission Tariff or equivalent on file with a regulatory authority.
- b. Transmission owners that have placed their transmission under the operational control of an RTO or ISO.
- c. Independent transmission companies or organizations, merchant transmission developers, and transcos that are not RTOs or ISOs.
- d. Excludes RTOs and ISOs ~~(that are eligible to join to Segment 2).~~

### Segment 2. Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs)

- a. Any entity authorized by appropriate governmental authority to operate as an RTO or ISO.

### Segment 3. Load-Serving Entities (LSEs)

- a. Entities serving end-use customers under a regulated tariff, a contract governed by a regulatory tariff, or other legal obligation to serve.
- ~~b.~~ A member of a generation and transmission (G&T) cooperative or a joint-action agency is permitted to designate the G&T or joint-action agency to represent it in this segment; such designation does not preclude the G&T or joint-action agency from participation and voting in another segment representing its direct interests.

~~b-c.~~ Agents or associations can represent groups of LSEs

### Segment 4. Transmission Dependent Utilities (TDUs)

- a. Entities with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depend primarily on the transmission systems of third parties to provide this service.
- b. Agents or associations can represent groups of TDUs.

### Segment 5. Electric Generators

- a. Affiliated and independent generators, including variable and other renewable resources.
- ~~b.~~ A corporation that sets up separate corporate entities for each one or ~~two more~~ generating plants in which it is involved may only have one vote in this segment regardless of how many single-plant or ~~two~~ multiple-plant corporations the parent corporation has established or is involved in.

~~b-c.~~ Agents or associations can represent groups of electrical generators.

**Segment 6. Electricity Brokers, Aggregators, and Marketers**

- a. Entities serving end-use customers under a power marketing agreement or other authorization not classified as a regulated tariff.
- b. An entity that buys, sells, or brokers energy and related services for resale in wholesale or retail markets, whether a non-jurisdictional entity operating within its charter or an entity licensed by a jurisdictional regulator.
- c. G&T cooperatives and joint-action agencies that perform an electricity broker, aggregator, or marketer function are permitted to belong to this segment.
- d. Agents or associations can represent groups of electricity brokers, aggregators, or marketers.
- e. This segment also includes demand-side management providers.

**Segment 7. Large Electricity End Users**

- a. At least one service delivery taken at 50 kV (radial supply or facilities dedicated to serve customers) that is not purchased for resale.
- b. A single customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents or associations can represent groups of large end users.

**Segment 8. Small Electricity Users**

- a. Service taken at below 50 kV.
- b. A single customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents, state consumer advocates, or other advocate groups can represent groups of small customers.
- d. Any entity or person-individual currently employed by an entity that is eligible to join one or more of the other eight-nine segments, shall not be qualified to join Segment 8.
- ~~e.~~ Any individual or entity, such as a consultant, employee or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 through 7, including trade associations representing such Segments, shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join and shall not be eligible to join segment 8.

**Segment 9. Federal, State, and Provincial Regulatory or other Government Entities**

- a. Does not include federal power management agencies or the Tennessee Valley Authority.
- b. May include public utility commissions.

**Segment 10. Regional Reliability Organizations and Regional Entities**

- a. Any entity that is a ~~regional reliability organization~~ or regional entity, as defined in NERC's Bylaws. It is recognized that there may be instances in which an entity is both an RTO or ISO and a regional entity ~~or regional reliability organization~~. In such a case, the two functions must be sufficiently independent to meet NERC's Rules of Procedure and applicable regulatory requirements, as evidenced by the approval of a regional entity delegation

agreement. Without such an approval, the entity shall be limited to choosing to enter one segment or the other, but not both.

