



**Governance Committee
Meeting Agenda
Salt Lake City, Utah**

Meeting [link](#), Password: WECC | Dial-in Number: 1-415-655-0003, Attendee Access Code: 2631 430 9100

March 12, 2024, 10:15 to 11:00 a.m. Mountain Time

1. Welcome, Call to Order

2. Review WECC Antitrust Policy

[WECC Antitrust Policy](#).

Please contact WECC legal counsel if you have any questions.

3. Approve Agenda

4. Review and Approve Previous Meeting Minutes

Approval Item: Meeting Minutes from December 5, 2023

5. Review Previous Action Items—Chris Albrecht

6. Review 2024 Work Plan—Felicia Marcus

7. Review Standards of Conduct—Chris Albrecht

8. Public Comment

9. Review New Action Items

10. Review Upcoming Meetings

June 11, 2024..... Salt Lake City, Utah

December 10, 2024..... Salt Lake City, Utah

11. Adjourn



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Governance Committee
DRAFT Meeting Minutes
December 5, 2023
Hybrid

1. Welcome, Call to Order

Felicia Marcus, Governance Committee (GC) Chair, called the meeting to order at 1:00 p.m. MT on December 5, 2023. A quorum was present to conduct business. A list of attendees is attached as Exhibit A.

2. Review WECC Antitrust Policy

Chris Albrecht, Assistant General Counsel, read aloud the WECC Antitrust Policy statement. The meeting agenda included a link to the posted policy.

3. Approve Agenda

Ms. Marcus introduced the proposed meeting agenda.

On a motion by Ric Campbell, the GC approved the agenda.

4. Review and Approve Previous Meeting Minutes

Ms. Marcus introduced the minutes from the meeting on August 21, 2023.

On a motion by Gary Leidich, the GC approved the minutes from August 21, 2023.

5. Review Previous Action Items

Mr. Albrecht reviewed previous actions items.

6. Board Self-Evaluation Process Changes

Ms. Marcus reviewed changes made to the Board Self-Evaluation Process document. She noted most changes were not substantial except for the addition of question number eight that asks for evaluation of the Board chair. The GC asked that it be amended to require comments on any score of a three or less.

On a motion by Joe McArthur, the GC approved the following motion:

Resolved, that the WECC Governance Committee, at its meeting on December 5, 2023, hereby recommends that the WECC Board of Directors (Board) approve the Board and Board Committee evaluation questions as amended.

The Board Self-Evaluation document is attached as Exhibit B.



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Draft GC Meeting Minutes—December 5, 2023**7. MAC Report on Board Effectiveness Survey**

Brian Theaker, MAC Class 3, reviewed the Board Effectiveness Survey results. The GC discussed the low participation from the MAC and inquired on best practices for encouraging the MAC to participate.

8. Principles of Corporate Governance

Mr. Albrecht reviewed the Board of Directors Principles of Corporate Governance. The GC discussed the onboarding of new directors that will happen within the next two years and directed staff to recommend revisions to the document considering new Board director training, director travel, and Board committee charter changes.

9. Standard of Conduct Review

Mr. Albrecht introduced the Standard of Conduct, Appendices A and B to the WECC Bylaws. He noted that changing the Standards of Conduct requires amending the WECC Bylaws and getting FERC approval. He also reviewed previous GC determinations that the Standards of Conduct should be removed from the Bylaws the next time the Bylaws are being changed. The GC directed staff to review the Standards of Conduct (including regarding new directors) and recommend changes for GC consideration.

10. Annual Board Policy Review

Mr. Albrecht provided a document that outlined all Board policies that included dates last approved, effective date, last revised, and next review. Ric Campbell, Director, suggested that changes to Board policy review cycles be considered, specifically on policies that rarely have revisions. Mr. Albrecht said staff would review all Board policy review cycles and report back to the GC.

11. Report on Delegation Agreement and Conflicts of Interest

Melanie Frye, President and CEO, provided a report on the delegation agreement and conflicts of interest and responded to questions from the GC on these items.

12. Public Comment

No comments were made.

13. Review New Action Items

- Investigate Diligent software capability of forcing comments when a negative score is provided in the Board/Board Committee evaluation survey and incorporate if possible.
 - Assigned To: WECC Staff



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Draft GC Meeting Minutes—December 5, 2023

- Due Date: ASAP
- Review the Principles of Corporate Governance, including regarding new Board director training, director travel, and Board committee charter changes, and recommend changes for GC consideration.
 - Assigned To: WECC Staff
 - Due Date: ASAP
- Review the Standards of Conduct, with an eye to briefing new Board directors, and recommend changes for GC consideration.
 - Assigned To: WECC Staff
 - Due Date: ASAP
- Review the “review cycles” of Board Policies to determine whether any changes are needed (i.e., shorter or longer review cycles for efficiency).
 - Assigned To: WECC Staff
 - Due Date: ASAP
- Review the Closed and WIDSA Session Policy, consistent with its PolicyStat review cycle.
 - Assigned To: WECC Staff
 - Due Date: 12/15/23
- Review PolicyStat document settings to clarify Board decision role to avoid misunderstanding if possible.
 - Assigned To: WECC Staff
 - Due Date: ASAP

14. Upcoming Meetings

March 12, 2024.....Salt Lake City, UT

June 11, 2024.....Salt Lake City, UT

December 10, 2024.....Salt Lake City, UT

15. Adjourn

Ms. Marcus adjourned the meeting without objection at 1:43 p.m. MT.



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Draft GC Meeting Minutes—December 5, 2023

Exhibit A: Attendance List

Members in Attendance

Ric Campbell	Member
Gary Leidich.....	Member
Felicia Marcus	Chair
Joe McArthur.....	Member



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Draft GC Meeting Minutes—December 5, 2023**Exhibit B: Board and Committee Self-Evaluation Survey**

The GC, in accordance with the Board of Directors Principles of Corporate Governance—Section 2.3, has reviewed the self-evaluation process and questions and has recommended that the Board adopt the following evaluation:

The evaluation covers areas of the Board’s role as outlined in the Principles of Corporate Governance. The format is comment and Likert-Scale based. Please provide comments on each question and, if rated a three or less, include feedback on potential areas of improvement. Included in each survey is an additional question for the Board committees. You will see a committee question for each committee you serve on.

Most of the questions are phrased as positive statements that demonstrate good practices in the following areas:

- Independent, Mission Driven, and Transparent;
- Strategic Focus;
- Commitment to Continual Professional Improvement; and
- Enterprise Risk Management.

Rate the Board on a five-point Likert Scale:

1 – Strongly Disagree

2 – Disagree

3 – Neither Agree nor Disagree

4 – Agree

5 – Strongly Agree

Board Role	Statement	Rate 1-5 (if rated 2 or less, you MUST provide comments)	Comment
1. Independent, mission driven, and transparent	The Board demonstrates, through its actions, compliance with the “Principles of Corporate Governance,” a full understanding of the roles and responsibilities of an independent board and awareness of the organization’s mission, and acknowledges that WECC is fulfilling its mission and all delegated authorities and responsibilities.		



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Draft GC Meeting Minutes—December 5, 2023

2. Strategic focus	The Board oversees development and communication of clear goals, regularly monitors and evaluates progress of strategic goals, and is fully informed of progress by staff.		
3. Commitment to continual professional improvement	The Board has defined and communicated its expectations and conducts regular evaluations of the CEO. The Board is prepared, interested, and engaged.		
4. Enterprise Risk Management	The Board oversees and monitors WECC's enterprise risk management program.		
5. Board committee evaluation	The committee chair leads effective meetings, materials are provided in advance, and members are prepared and have insightful discussions.		
6. Miscellaneous	Are there additional areas on which you would like to give feedback?		
7. Closed Session Comments	Are there comments that need to be raised in a closed session (Board or committee level)? Directors may mark these comments as "confidential remarks."		
8. Board chair evaluation	The Board chair effectively plans and coordinates the business of the Board, as an unbiased peer, including seeking and sharing stakeholder input, identifying important topics, leading effective meetings, and fostering meaningful discussions, as contemplated by WECC's Principles of Corporate Governance Section 2.6.		

Process

The Board and Board Committee self-evaluation questions identified above will be sent to Board Directors and responses collected in Q1. The Board and Board Committees will review the survey responses to identify any necessary actions during Q2.



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Board Policy Review Cycles

2024

Policy Name	Policy Custodian	Current Review Cycle	Recommend Review Cycle	Rationale
Investment Policy Statement	Joshuah Martinez	1 Year	No change to review cycles is being recommend.	The shorter review period is prudent given the fluctuation of markets and the need to ensure fiscal responsibility.
Antitrust	Chris Albrecht	2 Years		See “General Rationale” below
BOD Principles of Corporate Governance	Brittany Huggins			
Closed & WIDSA Sessions	Chris Albrecht			
Confidentiality	Chris Albrecht			
Contact Information	Chris Albrecht			
Data Request Process	Chris Albrecht			
Document Categorization	Chris Albrecht			
ERM	Chris Albrecht			
Information Reporting	Chris Albrecht			
Information Sharing	Chris Albrecht			
Meetings Sponsored by WECC	Brittany Huggins			
Records Retention	Brittany Huggins			
Whistleblower	Chris Albrecht			
Regional Criteria – Monitoring Adherence	Steve Rueckert	3 Years		While it is prudent to have these policies in place in case they are needed, they have never been used, so there is less need to review them as often.
Regional Criteria – Obtaining Exemption	Steve Rueckert			

General Rationale:

Board policies generally have a two-year review cycle. This two-year review cycle is appropriate because, while the nature of these policies results in them rarely needing substantive revisions, it is prudent to review them every couple of years to ensure that remains the case.

Board policies may also be reviewed and revised as necessary. It is common for this to happen, and Board policies are often reviewed and revised when and as needed.

With biennial and *ad hoc* reviews, the review of Board policies strikes an appropriate balance between ensuring Board policies are reviewed and updated as needed and reducing administrative burden.

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Governance Committee
2024 Work Plan
January 2024

Month	Agenda Items
March 2024	<ul style="list-style-type: none"> • 2024 Work Plan* • Standards of Conduct (Bylaws Appendices A and B)
June 2024	<ul style="list-style-type: none"> • Board/Committee Evaluation Results • Principles of Corporate Governance • Responsibility and Accountability Matrix • GC Charter
December 2024	<ul style="list-style-type: none"> • Report from MAC on Board Effectiveness Survey • Report from CEO on Delegation Agreement and COIs • Annual Board Policy Review/Approval Recap

*This is a tentative work plan of known topics/agenda items that can be added to or modified as necessary during the year.

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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. Utah law requires Directors of nonprofit corporations to discharge their duties in good faith, with the care exercised by an ordinarily prudent person in like position and similar circumstances, and in a manner reasonably believed to be in the best interest of the nonprofit organization. For as long as the Director remains a member of the Board of Directors of WECC, the Director’s actions should be informed by these standards of conduct and the obligations imposed by law.

The General Counsel will provide training on these Standards of Conduct to new Directors after appointment and to all Directors annually.

- I. The Directors of a corporation are bound to act in good faith, to use due care, and to be diligent in respect to the management and administration of the affairs of the corporation. This 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, participate in Board discussions, and make independent inquiries as needed.
 - B. In voting on any matter before the Board or otherwise acting in the capacity as a Director, each Director will:
 - 1) make reasonable inquiry to be informed 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 believes to be in the best interests of WECC.
 - C. 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 that would prompt further concerns of the ordinarily prudent person or the Director could not, in good faith, rely upon them.
- II. A Director has an obligation to remain loyal to WECC, at all times acting in good faith, in the best interests of WECC, and unhampered by any personal pecuniary gain. This duty does not preclude a Director from having financial or associational relationships with entities or organizations interacting with WECC, related to WECC, or related to WECC’s mission, so long as the Director acts

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in good faith and the circumstances are not contrary to the WECC Bylaws or law, nor interfere with the business of WECC. Directors are reminded that affiliation strictures of the WECC bylaws include a Director's spouse and minor children.

- A. Each Director will carry out the duties of a Director in good faith.
- B. Each Director will refrain from using any influence, access, or information gained through service as a Director to confer any improper personal benefit (financial or otherwise) upon the Director, 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 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) or Registered Entities to which the Director has access by virtue of the 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.

III. 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.

- A. 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. If any Director has questions about whether a conflict

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of interest exists, he or she may make inquiry to the Chief Executive Officer or General Counsel 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). 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.
- 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 similarly situated WECC Members would not share, or impose material detriments or costs on that organization that similarly situated WECC Members would not share. The fact that many if not all Members are affected to some extent by Board decisions, 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 the position of Director to confer special benefits on associated organizations or interest groups when similarly situated WECC Members would not share in those benefits.

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- 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.

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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~~ requires quasi-fiduciary duties of care and loyalty on all corporate Directors or trustees, including Directors ~~and trustees~~ of nonprofit corporations to discharge their duties in good faith, with the care exercised by an ordinarily prudent person in like position and similar circumstances, and in a manner reasonably believed to be in the best interest of the nonprofit organization. For as long as the Director remains a member of the Board of Directors of WECC, the Director's actions should be informed by these ~~will abide by the following~~ standards of conduct and the obligations imposed by law ~~while serving as a WECC Director~~. The General Counsel will provide training on these Standards of Conduct to new Directors after appointment and to all Directors annually.

- I. ~~Duty of care.~~ The Directors of a corporation are bound to act in good faith, 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, participate in Board discussions, and make independent inquiries as needed.
 - B. In voting on any matter before the Board or otherwise acting in the capacity as a Director, each Director will:
 - 1) make reasonable inquiry to be informed 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 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 that would prompt further concerns of the ordinarily prudent person or the Director could not, in good faith, rely upon them.

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II. ~~Duty of loyalty. The duty of loyalty imposes on a~~ Director ~~the has an~~ obligation to remain loyal to WECC, at all times acting in good faith, 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~~ having financial or associational relationships with entities or organizations interacting with WECC, related to WECC, or related to WECC's mission, so long as the Director acts in good faith and the circumstances are not contrary to the WECC Bylaws or law, nor ~~and does not~~ interfere with the business of WECC. Directors are reminded that affiliation strictures of the WECC bylaws include a Director's spouse and minor children.

- A. Each Director will carry out the duties of a Director in good faith.
- B. Each Director will refrain from using any influence, access, or information gained through service as a Director to confer any improper personal benefit (financial or otherwise) upon the Director, 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 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) or Registered Entities to which the Director has access by virtue of the 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.

~~III. Conflicts of Interest. Because conflicts of interest may arise, 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.

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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.

A. 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 or General Counsel 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 similarly~~ situated WECC Members would not share, or impose material detriments or

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costs on that organization that ~~other similarly situated~~ 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 the position of Director to confer special benefits on associated organizations or interest groups when ~~other similarly situated~~ 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 WECC, acting at all times in the best interests of WECC 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 and policies 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 a Family Member.¹ 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, beverage, entertainment or non-cash gifts received at conferences, meetings, events or gatherings which are offered equally to all persons in attendance.
- 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:

¹ 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.



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WECC Bylaws

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 a 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) or Registered Entities 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 on condition of confidentiality.

III. Conflicts of Interest. The following conflicts of interest Standards 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.

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.



The following are Standards for Employees with actual or potential conflicts of interest:

- A. Personal Conflicts. 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 Section E below.
- B. Organizational Conflicts. 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.
- C. WECC Members and Registered Entities. No Employee may be an employee, director, or consultant of, or provide services to or be associated in any way with, any WECC Member or Registered Entity 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 Section C, 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 Sections A and B, above.
- D. Electric Energy Transactions. No Employee shall participate in any electric energy transaction other than for ordinary personal. 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 Section D, 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 Sections A and B, above.
- E. Financial Interest. 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 Employee² in any Electric Line of Business entity as defined in Section 3.10 of the Bylaws doing business in the Western Interconnection. Upon such disclosure, the CEO (in consultation with the Chair of the Board as necessary) shall determine whether such

² 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 III.A of these Standards, in which case disclosure to the CEO is appropriate.



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 may impose such remedies as are reasonable under the circumstances and consistent with section 9.2 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 9.2.2 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 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:

1. An interest that exists through diversified mutual funds;
2. 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;
3. 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 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 and policies 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 a Family Member.¹ 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 beverage~~, entertainment or non-cash gifts received ~~as part of a social or special occasion in amounts not to exceed \$25 per source per event at conferences, meetings, events or gatherings which are offered equally to all persons in attendance.~~

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

¹ 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.



appearance of impropriety shall apply in particular to any organization:

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 a 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) or Registered Entities 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.

III. Conflicts of Interest. The following conflicts of interest ~~policy~~ Standards 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.

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.



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The following are ~~guidelines~~Standards for Employees with actual or potential conflicts of interest:

~~F.A.~~ A. Personal Conflicts. ~~In general, p~~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)~~Section E below.

~~G.B.~~ B. Organizational Conflicts. 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~~adverse to the interests of WECC.

~~H. 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~~



~~I. 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.~~

~~J.C. WECC Members and Registered Entities.~~ 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 ~~or Registered Entity~~ 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)~~ Section C, 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)~~ Sections A and B, above.

~~K.D. Electric Energy Transactions.~~ 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)~~ Section D, 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)~~ Sections A and B, above.

~~L.E. Financial Interest.~~ 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 Employee² in any Electric Line of Business entity as defined in Section 3.150 of the Bylaws doing business in the Western Interconnection. Upon such disclosure, the CEO ~~(and in consultation with~~ the Chair of the Board ~~as necessary)~~ 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 Board chair~~ may impose such remedies as are reasonable under the circumstances and

² 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), A of these ~~s~~ Standards, in which case disclosure ~~pursuant to Section II(F)(3)~~ the CEO is appropriate.



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consistent with section 9.32 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 9.3.2.2 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 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:

1. An interest that exists through diversified mutual funds;
2. 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;
3. 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.

