

WECC Section 4.9 Review: Revision of WECC's Bylaws

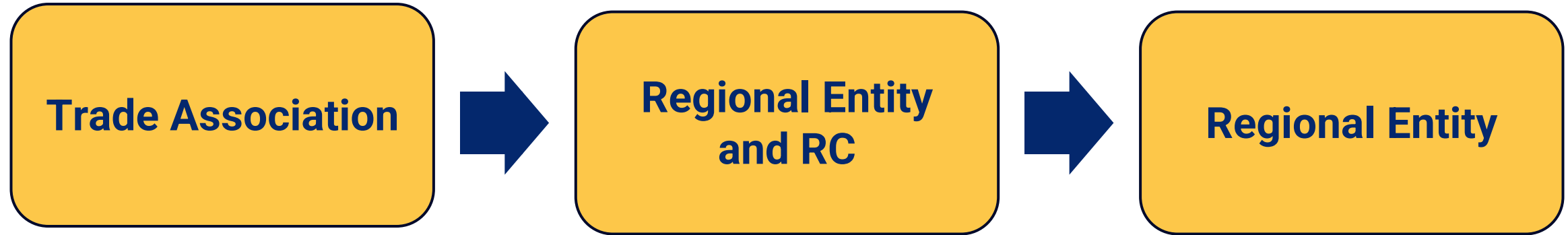
Jeff Droubay

Vice President and General Counsel

Chris Albrecht

Assistant General Counsel

WECC's Evolution



WECC's purpose now is to fulfill its reliability and security mission by performing the responsibilities delegated to it by NERC.

WECC's Robust Governance Processes

- Independent Board
 - Governance Committee
 - MAC Authority to Advise Board
 - Annual review of WECC's performance under its Delegation Agreement
 - Business Plan and Budget process with MBS and WIRAB participation
 - Board, NERC, and FERC review of Business Plan and Budget
 - Long Term Strategy developed with input from Board, MAC, WIRAB, and others
- Corporate Scorecard
 - Enterprise Risk Management System
 - NERC oversight
 - FERC oversight
 - WIRAB Statutory Obligation to Advise Board
 - Track record of organization/governance improvements without a formal review (e.g. TEPPC/PCC review and consolidation, elimination of JGC)

Proposed Significant Changes

Section ¹	Topic	Changes	Requires Member Vote
1	Vision and Mission	WECC's Vision and Mission have been removed from the Bylaws and replaced with a statement of WECC's "Purpose." The change is consistent with Utah law and the practice of other Regional Entities.	Yes
2	Organizational Characteristics	This section has been eliminated in favor of the statement of purpose in section 1.	No
3.3 and 5.2.1, 5.4.1	Annual Member Meeting	Changes to these sections eliminate the requirement for an annual member meeting. Special member meetings can be called as needed. Changes throughout the Bylaws remove references to the Annual Meeting and clarify timing requirements.	No
3.15	Standing Committees	All references to "Standing Committees" have been deleted to make the Bylaws consistent with WECC's current committee structure. WECC no longer has "Standing Committees." It has technical committees.	No
3.20	Registered Entity	This definition has been revised to make it consistent with the NERC Rules of Procedure.	No

Proposed Significant Changes (Cont'd)

4.9	WECC Structure and Governance Review	These revisions eliminate the requirement for a periodic structure and governance review. WECC has robust governance and feedback processes in place, rendering this requirement redundant.	No
5.1	Quorum	Quorum requirements for Member decisions are altered so that quorum is constituted of the Members in attendance at a meeting or the Members voting on a given issue.	No
5.1, 5.2, and 6.4.3	Voting	Action may be taken by majority vote of those Members voting + a majority of the members voting in 3 of 5 classes, except as otherwise identified	No
5.3	Subclasses	This provision removes reference to subclasses, as there are no subclasses within WECC's membership.	No
5.7	Minimum Participation Requirement	These proposed revisions eliminate the minimum participation requirement for Members. There will no longer be an "active" vs. "inactive" status for Members or termination of Membership for inactivity.	No

Proposed Significant Changes (Cont'd)

6.2	Board Member Qualifications	The changes to this section eliminate the current director qualification requirements, which are proscriptive, in favor of a more general statement on qualifications that gives the NC and Members more flexibility to nominate and elect directors with the substantive experience needed to ensure WECC continues to fulfill its purpose.	Yes
6.3	Term Limits	The Term Limits provision has been revised to include a four (4) term limitation on the number of terms a director may serve.	Yes
6.4	Nominating Committee	<ul style="list-style-type: none">• The language precluding Board members from serving on the NC if their terms are expiring has been clarified. The preclusion applies only to Board members who are seeking re-election during the applicable NC year. Board members whose terms are expiring and who are not seeking reelection may serve on the NC.• The language has been revised to permit international representatives on the MAC to participate as voting members of the NC.	Yes

Proposed Significant Changes (Cont'd)

6.5	Removal of Directors	This language has been revised to clarify what is required to remove a WECC director.	Yes
6.7	Filling Vacant Director Positions	This language has been revised to give the NC more flexibility to fill a vacancy on the Board more quickly, if necessary.	Yes
6.8.1	Duties of Directors	This language has been revised to make this provision consistent with the Revised Utah Nonprofit Corporations Act.	Yes
6.10	Delegation of Board Authority	The language of this section has been revised to simplify and add clarity, particularly to the rights of Members to appeal a delegation of Board authority.	No
7.6	Closed Meetings	This section has been revised to provide greater clarity regarding when the Board may meet in closed session.	No
9.4	CEO's Duties	This section has been revised to be consistent with changes made to sections 1 and 2.	No

Proposed Significant Changes (Cont'd)

10	Dispute Resolution	This section is being eliminated, as WECC no longer has dispute resolution procedures.	Yes
11.1	Funding <u>of</u> Reliability Activities	The language in this section related to international entities is revised to make a distinction between membership in WECC and funding of WECC activities. As WECC currently operates, an international entity could apply and be accepted as a member of WECC without paying a contractually negotiated assessment to “fund” reliability activities.	No
12	Amendments to Bylaws	This section has been revised to provide greater clarity on the process for amending and for appealing amendments of WECC’s Bylaws and to bring these provision in line with the new proposed quorum and voting requirements.	Yes
13	Termination of Organization	The proposed revisions to this section reflect the fact that WECC is no longer a trade association but is instead a 501(c)4 social welfare organization, whose purpose is to perform the functions of a Regional Entity. WECC may only be dissolved as an organization pursuant to applicable law.	No

Proposed Significant Changes (Cont'd)

15	Incorporation	Consistent with the proposed revisions to section 13, this section removes a reference to Members taking action to impede WECC's Purpose.	No
Appendices	Standards of Conduct	Remove these from the Bylaws and make them Board approved standards/policies. This will enable us to amend them more easily as needed.	No
General	Other Changes	Minor revisions are still needed throughout the document to address typos, fix internal references, and to add clarity. All of these will be done in redline for full transparency and to permit any comment on the changes.	No

Next Steps (subject to change as needed)

- ❑ July 10: Section 4.9 Work Group meeting to review comments and feedback on proposed changes.
- ❑ By end of July: Make final revisions based upon stakeholder comments and feedback.
- ❑ By August 15: Final legal review and technical edits.
- ❑ By August 20: Meeting of 4.9 Work Group to approve Board recommendation
- ❑ September 17: Presentation to Board for approval.
- ❑ By November 26: Completion of member voting.
- ❑ Q1 2026: NERC Board of Trustees approval.
- ❑ Q1 2026: Submission to FERC for approval.



WECC



WWW.WECC.ORG | (801) 582-0353



155 N 400 W, Salt Lake City, UT 84103, USA