

ISO/RTO Governance Structure¹

Entity	Board Composition	Committees/groups involved in selection
PJM ¹	<p>Board of Managers (“PJM Board”)</p> <p>Independent</p> <p>Composition: Nine (9) voting members selected by Nominating Committee, elected by Members Committee</p> <ul style="list-style-type: none"> • Staggered 3-year terms • Various expertise required among members • Vacancies filled by Nominating Committee with consultant (or without for re-election) at next Annual Meeting of the Members • Interim vacancies are filled by majority vote of the Board, and member serves only until Annual Meeting of the Members <p>One (1) non-voting member: President</p> <p>Removal of a Board member requires Board vote, then approval of Members Committee</p> <p>Chair/Vice-Chair selected at every annual meeting of the Board</p>	<p><u>Nominating Committee:</u></p> <ul style="list-style-type: none"> • Consists of one representative elected annually from each of the five sectors of the Members Committee and three voting Board Members (provided that one such Board Member shall serve only as a non-voting member of the Nominating Committee) • Retains independent consultant who prepares a list of qualified candidates • > 30 days prior to Annual Meeting of the Members, provides Members Committee 1 nominee per vacant seat/expiring term from consultant’s list <ul style="list-style-type: none"> ○ No consultant needed for re-election of sitting Board members • If any seat vacant after election, proposes another nominee from consultant’s list at next regular meeting of Members Committee <p><u>Members Committee (meets 7x year):</u></p> <ul style="list-style-type: none"> • Members Committee elects the nine voting Board Members • One member from each sector of the Members Committee serves on the Nominating Committee • If a majority of Members Committee fails to elect a specific nominee, then Nominating Committee will present another nominee for vote at next regular Members Committee meeting, and so on. • Two members of the Board of Managers regularly sit in on Members Committee meetings

¹ The information in this chart was obtained from the organizations’ Websites as of 10/1/2014.

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MISO	<p>Board of Directors</p> <p>Independent</p> <p>Composition: Nine (9) independent directors elected by MISO members (prior to June 2014, seven (7) directors served; regional expansion led to latest amendment to bylaws to add two (2) directors)</p> <ul style="list-style-type: none"> • Staggered 3-year terms • Various expertise required among members • Vacancies filled by Nominating Committee, who nominates a slate of two (2) nominees per vacancy, Board narrows to one (1) nominee per vacancy for Members to vote on. • Two most recently added members will serve starting January 2015 and January 2016 staggered • Interim vacancies are filled by Board vote through same nomination process, but director serves only remainder of term created by vacancy <p>One (1) non-voting member: CEO or President, at Board’s discretion</p> <p>Chair – elected by Directors at every annual meeting of the Board</p> <ul style="list-style-type: none"> • If more than two Directors interested in 	<p><u>Nominating Committee:</u></p> <ul style="list-style-type: none"> • Nominating Committee has five (5) members appointed by Chair of Board of Directors, with Board approving appointments. Committee consists of three (3) Board Directors whose terms are not expiring, and two non-director members selected by Advisory Committee. • Advisory Committee consists of 23 MISO members representing following sectors (transmission owners, IPP/EWG, transmission dependent utilities, power marketers, public consumer advocates, state regulatory authorities, environmental advocates, eligible end-use customers, coordinating member) • Nominating Committee selects executive search firm to provide at least two (2) candidates for each open position • Nominating Committee provides slate of at least two (2) nominees to Board for each open position <p><u>Board:</u></p> <p>Board nominates one (1) candidate from slate of two (2) provided by Nominating Committee to fill each open Director position</p> <ul style="list-style-type: none"> • > 30 days prior to the meeting of Members at which Directors are elected, the Board provides Members with a slate of candidates, which includes one (1) candidate for each Director position to be filled • Majority of votes cast by Members is required to elect the Board’s proposed candidate • If Members fail to elect the candidate for any position, Board prepares new slate using same procedures for consideration by Members at a meeting of the Members no later than 75 days after each election.

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	<p>serving, Board, in executive session, narrows down to two, then elects from two in public session</p> <ul style="list-style-type: none"> • Term limit of two consecutive years, but eligible for additional term after another Director serves as Chair for at least one year term <p>Vice-Chair – is Chair of Board’s Corporate Governance & Strategic Planning Committee, fills in for absent Chair</p> <p>Removal: Members may remove a Director by majority vote of the Members. Removal proceedings are initiated by a petition signed by at least twenty percent (20%) of all Members and must state specific grounds for removal. A copy of the petition shall be provided to the FERC and to each appropriate state regulatory authority. A Director sought to be removed has fifteen (15) days to respond in writing to any charges set forth in the petition. The petition must specify either that the removal vote shall be taken at the next regular meeting of the Members or at a special meeting of the Members at a designated date, place, and time.</p>	

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SPP	<p>Board of Directors</p> <p>Independent</p> <p>Composition: Seven (7) independent members, including President (who cannot vote on matters affecting office of the President)</p> <ul style="list-style-type: none"> • Staggered 3-year terms • Elected by SPP Members at annual meeting (October) • Vacancies filled by election by Members <p>Chair and Vice-Chair elected by Board of Directors to serve two-year terms (President not eligible)</p> <p>Removal requires 20% of Members signing petition for removal; removal proceedings conducted at special meeting of Board of Directors/Members Committee</p>	<p><u>Governance Committee:</u></p> <ul style="list-style-type: none"> • Consists of nine members; President serves as committee chair; Chair of Board of Directors is a member, unless that position is up for nomination, in which case the Vice-Chair will be a member; the other seven members are <u>representative</u> members with one selected by and to represent Member sectors (IOUs, co-ops, municipals, independent power producers/marketers, state/federal power agencies, alternative power/public interest, and large/small retail) • Nominates “persons equal in number to the directors to be elected” for each open position, using executive search firm <ul style="list-style-type: none"> ○ Additional nominees from Members can be added with 20% support of Members • At least 45 calendar days prior to meeting of Members, determines persons it nominates for election as directors; Corporate Secretary prepares ballot and delivers to Members at least 30 calendar days prior to meeting of Members <p><u>Members:</u></p> <ul style="list-style-type: none"> • Elect directors at annual meeting of Members in October • Can nominate additional candidates upon 20% of support • If more than one (1) candidate, each member can vote for only one nominee, but can vote <i>against</i> a nominee; a simple majority vote of members is required to elect; • If only one (1) candidate is nominated, each candidate can vote for or against the nominee; a super majority (66%) vote of the members is required to elect • Special meetings held to elect Directors to fill interim vacancies

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ISO-NE	<p>Board of Directors</p> <p>Independent</p> <p>Composition: 10 members</p> <ul style="list-style-type: none"> • Includes nine (9) independent directors and President and CEO as <i>ex-officio</i>, non-voting 10th member • Staggered three-year terms (3 directors potentially up for election every year) • 3-term limit, unless waived by Board • Nominating and Governance Committee oversees nomination of members by Joint Nominating Committee • Elected by majority of directors then in office at Annual Meeting • Vacancies filled by majority vote of Board for remainder of term of director that vacated <p>Chair and Vice Chair nominated by the Nominating and Governance Committee and elected by Board of Directors for one-year term</p> <p>Removal of any director is accomplished by majority vote of Board members then in office</p>	<p><u>Nominating and Governance Committee:</u></p> <ul style="list-style-type: none"> • Oversight Board committee that governs over Joint Nominating Committee • Consists of three or more Directors, and the Chair of the Board (who does not serve as chair of the committee) • By means of Joint Nominating Committee established by § 13 of Participants Agreement, the Committee must work with NEPOOL Participants Committee and the New England Conference of Public Utilities Commissioners (NECPUC) to develop a slate of candidates for election and re-election to the Board, as described below <p><u>Joint Nominating Committee</u></p> <ul style="list-style-type: none"> ○ Consists generally of no more than seven (7) Board members who are not up for reelection, up to six (6) members of the Participants Committee (NEPOOL), and one (1) representative of NECPUC (a commissioner). ○ Joint Nominating Committee engages a nationally recognized executive search firm to identify candidates to fill vacancies ○ Joint Nominating Committee has no role in placing a Board member who decides to serve another term up for reelection, but may weigh in by selection of the overall slate of candidates ○ Joint Nominating Committee, by consensus, proposes a slate of candidates for election and reelection to the Participants Committee for vote on the slate at Participants Committee’s next scheduled meeting. ○ 70% of the “aggregate Sector Voting Shares” is required for Participants Committee’s endorsement of the slate to the ISO Board or Board Committee for final vote at next Board meeting. <ul style="list-style-type: none"> ▪ If Participants Committee vote fails to endorse the initial slate, the Nominating Committee repeats the process but must replace at least one nominee; ▪ If the Participants Committee vote fails again, the Joint Nominating Committee will present one of the two slates

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		<p style="text-align: center;">to the Board for final vote</p> <ul style="list-style-type: none"> • If the Board fails to elect a slate presented to it, the process repeats and the Joint Nominating Committee presents another slate, without requirement to replace any nominee • If the Joint Nominating Committee doesn't present a slate to Board, the Board will both nominate and elect directors at the annual meeting. • Proposes candidates for Chair and Vice-Chair of the Board for election by Board
NY-ISO	<p>1) Board of Directors</p> <p>Independent</p> <ul style="list-style-type: none"> • Composition: Ten (10) members which includes the President & CEO (President cannot serve as Chairman) • Board members are unaffiliated, independent with no direct relationship to any market participant or stakeholder • Staggered 4-year terms, and can be reelected; term limit of 3 full terms; • Age limit – ineligible to start a new term if it starts on or after 75th birthday • Vacancies: Management Committee assists the Board in filling Board vacancies; Board is self-perpetuating, and Directors are elected by majority vote of Board members then in office • Regulatory approval: Certain elements of Board member selection process is in 	<p><u>Stakeholder Management Committee:</u></p> <ul style="list-style-type: none"> • Participates in Board of Directors selection through Board Selection Subcommittee <p><u>Board Selection Subcommittee:</u></p> <ul style="list-style-type: none"> • Consists of ten (10) members, two (2) from each of the five sectors • Board Selection Subcommittee conducts an executive search • Screens initial list of nominees • Provides a list of at least three qualified candidates per vacancy to Board (via the Board's Governance Committee) • The Board (via Governance Committee) may also seek candidates from other sources, including an executive search firm. (Management Committee will get chance to review candidates it did not submit and comment on their qualifications.) <p><u>Governance Committee:</u></p> <ul style="list-style-type: none"> • Consists of at least three Directors • Formally nominates candidates for election to the Board to fill vacancies by expiration of term or otherwise

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	<p>ISO agreement, which is subject to FERC approval</p> <p>Chair is selected by vote of the Directors or one year term</p> <p>Vice Chair may be elected by Board at its discretion</p> <p>Removal is by affirmative vote of seven (7) Directors</p> <p>2) <u>Stakeholder Management Committee</u></p> <p>Stakeholder</p> <ul style="list-style-type: none"> • Composition: All market participants that are parties to the ISO Agreement, each of which is from 5 market sectors: transmission owners, generation owners, other suppliers, end-use consumers and public power/environmental parties • Management Committee members are designated by their sector. Members may attend meetings via teleconference or other methods. • Voting is by sector (those eligible in participate in more than one sector must choose one); each sector is allocated a percentage of voting share 	

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	<p>Chair and Vice-Chair are elected pursuant to Management Committee bylaws, which cover this process extensively</p> <p>Removal of individual representatives is at the discretion of each member; removal of a member is not possible due to the make-up of the committee, which is based on the member’s status as a market participant</p>	
ERCOT	<p>Board of Directors</p> <p>Hybrid Independent / Stakeholders</p> <ul style="list-style-type: none"> • Composition: Sixteen (16) member “hybrid” board consists of: (5) Directors unaffiliated with power industry; (1) Director representing residential consumers (Office of Public Utility Counsel – <i>ex officio</i> voting Director); (1) Director representing industrial consumers; (1) Director representing large commercial consumers; (6) representatives from industry market segments; and PUCT Chair (<i>ex-officio</i> non-voting Director); and CEO (<i>ex-officio</i> voting Director) • Six (6) alternates are elected by industry Segments to sit in for elected representatives as needed • Vacancies are filled as follows: <ul style="list-style-type: none"> ○ Industry affiliated members (6) 	<p><u>Nominating Committee:</u></p> <ul style="list-style-type: none"> • Consists of all voting Directors other than the CEO • Chair and Vice-Chair of Board serve in same roles for this committee unless committee calls for an election of each position • Retains executive search firm to locate and present candidates with required qualifications • Committee or subcommittee interviews candidates and selects, by 2/3 majority vote, a Director to present to Membership for its approval <p><u>Membership:</u></p> <ul style="list-style-type: none"> • Full Membership votes, by Segment, for or against Unaffiliated Directors presented by the Nominating Committee. Four of the seven sectors must approve a Director to be elected, and ERCOT must seek PUCT approval for Director to be seated. • Election of the Commercial Consumer Director will be by Large Commercial Consumer Corporate Members, or if none exist, then the current Large Commercial Consumer Director appoints a successor Director • Election of the Industrial Consumer Director is by the Industrial Consumer Corporate Members • Election of all other Market Segment Directors is by the Corporate Members of each Segment

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	<p>are elected by their respective industry Segments</p> <ul style="list-style-type: none"> ○ Unaffiliated members (5) are nominated by a Nominating Committee and elected by ERCOT Membership by Segment ○ PUCT must approve unaffiliated Directors <ul style="list-style-type: none"> ● Terms are as follows: <ul style="list-style-type: none"> ○ Market Segment Directors – 1 year ○ Unaffiliated Directors – staggered 3-year terms with three term limit <p>Chair and Vice-Chair is elected by the Board, and must be an unaffiliated Director and cannot be the CEO</p> <p>Removal is accomplished “with or without cause at any time by whomever had the right to appoint the...Director or Segment Alternate”, or if elected, by 60% vote of the Members allowed to elect the Director or Segment Alternate, or with cause by the Board upon 75% affirmative votes of the eligible, remaining voting Directors.</p>	<p><u>Public Utilities Commission of Texas:</u></p> <ul style="list-style-type: none"> ● ERCOT must file a petition with the PUCT for approval of each elected Unaffiliated Director and PUCT must approve before the Unaffiliated Director can be seated

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CAISO	<p>Board of Governors</p> <p>Independent</p> <p>Composition: Five (5) Board members</p> <ul style="list-style-type: none"> • Staggered three-year terms • Nominated by governor of California and confirmed by state Senate • Staggered 3-year terms • Diverse backgrounds, viewpoints and diversity • Vacancies filled by Governor of California, confirmed by Senate, using Board Selection Policy process at Governor’s discretion <p>Chair is elected by majority vote of the Board</p> <p>Removal is accomplished by 2/3 vote of the Board members then in office</p>	<p><u>Board Nominee Review Committee:</u></p> <ul style="list-style-type: none"> • Consists of six (6) stakeholders from each of the six (6) member-class sectors (36 members) <ul style="list-style-type: none"> ○ Transmission owners ○ Transmission-dependent utilities ○ Public interest groups ○ End-users/retail energy providers ○ Alternative energy providers ○ Generators and marketers • Independent executive search firm presents at least four candidates per vacancy to Review Committee • Recommendations from Review Committee submitted to the Office of the Governor <p><u>Governor of California:</u></p> <ul style="list-style-type: none"> • Appoints members to the Board, subject to confirmation by the California Senate <p><u>California Senate:</u></p> <ul style="list-style-type: none"> • Votes on confirmation in Senate Rules Committee and, if voted out of committee, then in full session of the Senate