

# ColumbiaGrid Forum

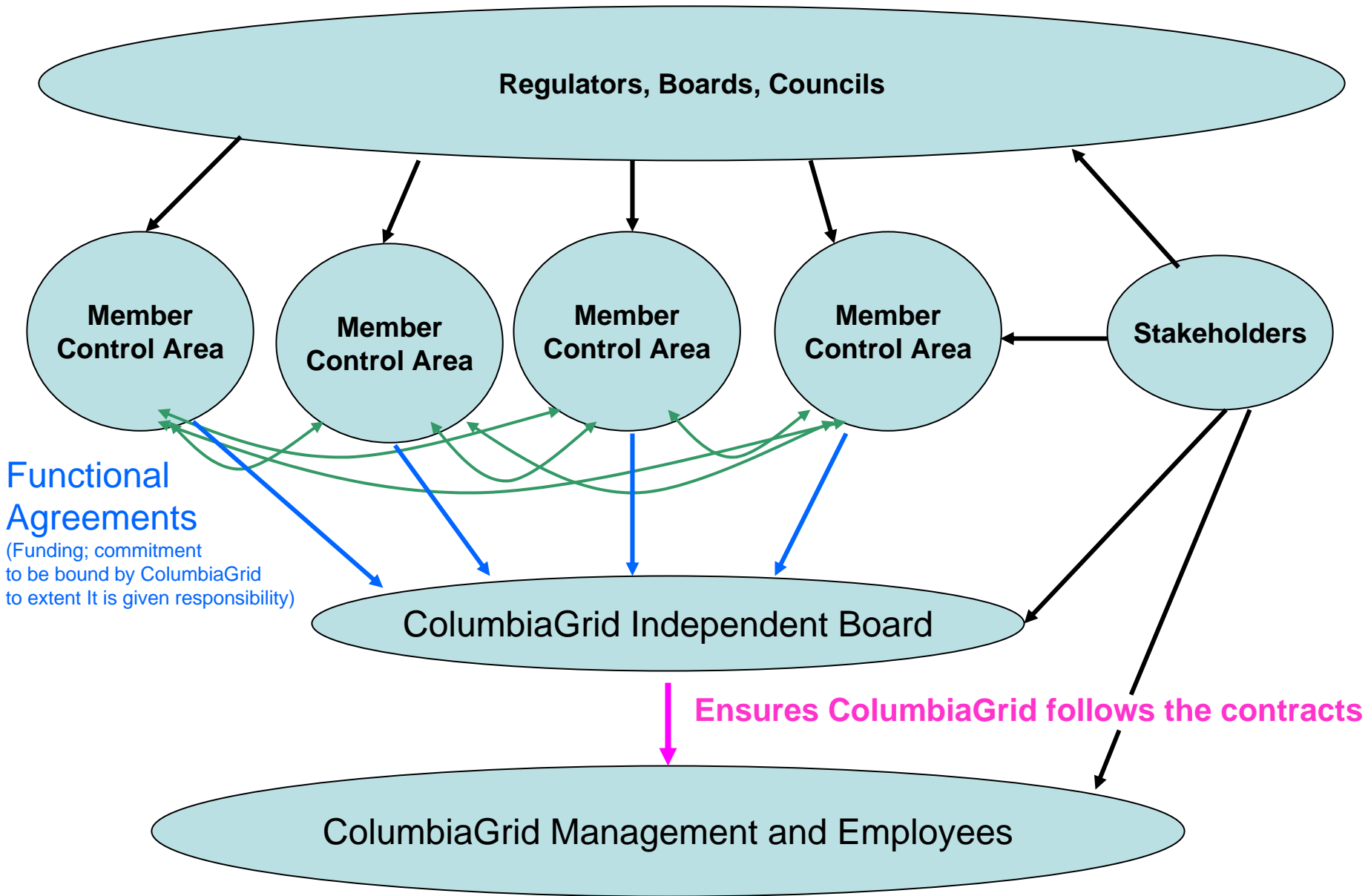
March 22, 2006 Governance  
Small Group Recommendations

# Overview

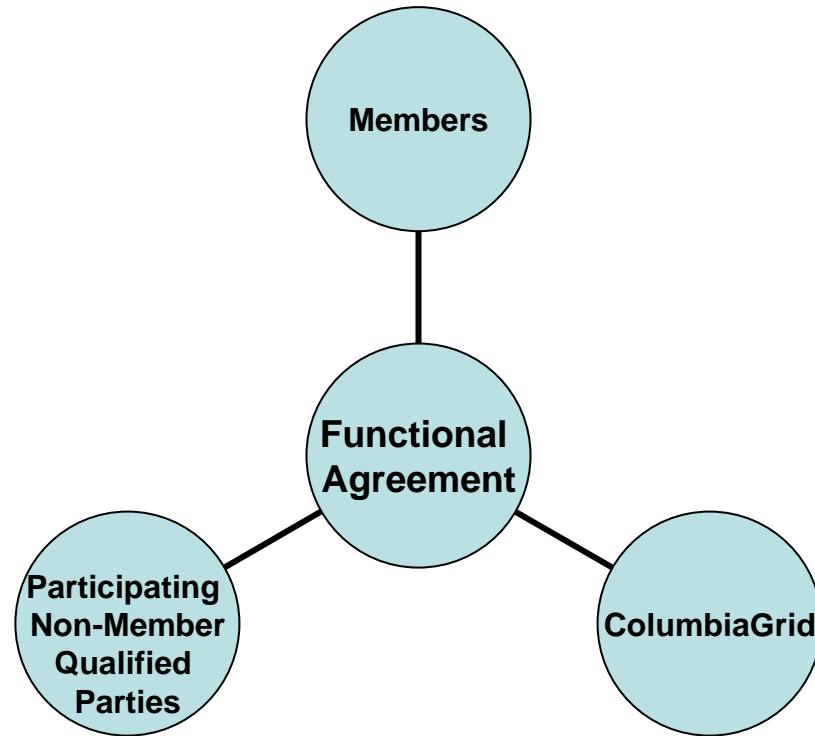
- ColumbiaGrid looks to its Members to determine its role and the scope of its activities
  - Not-for-profit membership corporation
  - Members are Sponsoring Control Areas
  - ColumbiaGrid provides services pursuant to “functional” agreements
  - ColumbiaGrid can only do what it is authorized to do in the functional agreements

# Independent Board

- Practical independence (sufficient for Sponsors to be willing to turn over responsibilities)
  - Directors elected to work on behalf of the collective Members, not individual Members
  - ColumbiaGrid will provide regional benefits and support public interests
  - Members will not micro-manage ColumbiaGrid; ColumbiaGrid has autonomy/discretion to extent provided in functional agreements
  - FERC's standard for independence?



# Parties to Functional Agreements



# Milestones

- **March 31** - Incorporate ColumbiaGrid
- **April 14** - Finalize Bylaws
- **July 15** - Seat Board
- **August 30** - Hire Manager/CEO
- **October 15** - Execute Planning and Expansion Agreement
- Throughout entire timeframe, continue work on other functional agreements, including agreement relating to design and evaluation of longer-term services

# March 31 - Articles of Incorporation

- Establishes legal entity
- Protects name
- Identifies corporation's purposes
- Names “placeholder” director to further organize corporation

# April 14 - Bylaws

- Minimalist
  - Looks outward to functional agreements for specifics regarding ColumbiaGrid's role and responsibilities, including stakeholder processes and dispute resolution
- Purposes
- Public Input
  - Programmatic requirement
- Members' Rights and Powers

# Bylaws, Cont'd.

- Members
  - Voting Rights of Members Weighted by Membership Equal Share (30%), Net Transmission Plant (40%), and Load Within the Control Area (30%)
    - Allocation with current Sponsors:

BPA	54.74%*	Chelan	7.10%
Grant	8.07%	Puget	19.60%
Seattle	10.49%		
  - Establishes Member Voting Requirements
    - Amendment of Bylaws - 2/3rds Vote
    - Election of Directors- 2/3rds Vote
    - Removal of Directors for Cause – Simple Majority
    - Budget – Simple Majority
    - Audit – Simple Majority for Annual Audit (Standard Practice is Full Audit Every Three Years)
    - Dissolution – 2/3rds Vote

*[\*BPA's voting weight will be capped at approximately 49%, further discussion needed]*

# Bylaws, Cont'd.

- Board of Directors
  - 3 Directors
  - Election Process
  - Compensation (\$50,000 annual base plus \$1000 daily stipend for attendance at board meetings and \$500 daily stipend for other meetings with annual cap of \$100,000)
- Funding
  - Through Members' Funding Agreement (Not Dues)

# Possible “Functional” Agreements

- Planning and Expansion
- Reliability
- Common Northwest OASIS
- Flow-Based Approach
- Design and Evaluation of Longer-term Services
- Market Monitoring

# Elements of Functional Agreements

- Specifics Regarding ColumbiaGrid's Role and Relationship with Members
- Public Input
- Dispute Resolution
- Funding
- Other

# Governance Small Group

- Suspending activities until input needed for functional agreements