

Memorandum

To: ISO Board of Governors
From: Roger Collanton, Vice President, General Counsel and Corporate Secretary
Date: December 6, 2017
Re: **Decision on Board compensation**

This memorandum requires Board action.

On November 2, 2017, California ISO Board of Governors approved a motion to increase the Board Compensation for the annual retainer and various meeting and preparation fees paid to the Board to compensate it for its service at the ISO. (Attachment 1.) The Board's action was based on input from a recent compensation consultant opinion and a board compensation survey of ISOs and RTOs throughout the country, which showed that the Board's overall compensation was below the 25th percentile of the market rate. In approving the November 2 motion, the Board increased its compensation to a level more competitive with peers, though still below the median for other ISOs and RTOs.

This memorandum presents a modification to the November 2 motion to make the increase effective January 1, 2021. This new effective date will fulfill the purposes of the original motion to enable the ISO to attract and retain a highly qualified, diverse pool of Board member candidates in the future, but will not financially benefit the current Board members. It is recommended the Board adopt the following motion to modify the Board compensation motion approved by the Board on November 2, 2017.

Motion

Moved, that in accordance with Article III, Section 16 of the bylaws, the ISO Board of Governors hereby amends the November 2, 2017 Board compensation motion, to become effective January 1, 2021, as set forth in the memorandum dated December 6, 2017.