Governance overview

Nancy Saracino

VP, Corporate Secretary & General Counsel

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The Governing Board fulfills its corporate responsibilities with public access and input.

- **Corporations Code**
    - Requires nonprofit public benefit corporations to have a board to oversee the exercise of corporate powers.

- **Public Utilities Code**
    - Establishes an independent governing board appointed by the Governor and confirmed by the Senate.

    - Requires open meeting standards "affording the public the greatest possible access, consistent with other duties of the corporation."

FERC requires ISO and RTO boards to consider the needs of customers and stakeholders.

- Order 719 measures board responsiveness by four criteria:

  - Inclusiveness

  - Fairness in balancing diverse interests

  - Representation of minority interests

  - Ongoing responsiveness

The ISO Corporate Governance Principles establish the purpose of the Governing Board.

- Oversee governance and stewardship of the corporation

- Confirm and maintain corporate direction

- Review and approve strategic plans and budgets

- Review corporate objectives

- Balance commercial and public policy objectives

The Corporate Governance Principles specify eight areas of Board duties and responsibilities.

1. Strategic planning

2. Monitoring implementation

3. Approving material transactions

4. Risk assessment and internal controls

5. Setting and monitoring compliance with policies and procedures

6. Selection and review of management

7. Governance

8. Effective and appropriate communications

The Corporate Governance Principles also require the Board to consider stakeholder interests.

"The Board, using the Board's independent judgment, is responsible for balancing commercial and public policy objectives to ensure that the Corporation is operated in a **sound commercial manner while at the same time fulfilling the public policy responsibilities** assigned to it as a California nonprofit public benefit corporation created under state law."

Stakeholders engage in ISO governance and decision making in several ways:

Board candidate selection -

Board candidates reviewed and ranked through a stakeholder process.

Board-endorsed stakeholder process -

New policies and tariff changes undergo a stakeholder process before presentation to the Board.

Open Meeting Policy -

Meetings and agendas are publicly noticed with opportunity for the public to participate at Board meetings.

The minutes from Board decision making on MRTU in 2008 illustrate the Board's engagement and responsiveness.

- Board received stakeholder input from a variety of sectors

- Board recognized and acknowledged:
  - Importance of the stakeholder process
  - Value of direct feedback at public meetings

- Board responded by:
  - Delaying MRTU implementation based on stakeholder input
  - Modifying language of decisions to address concerns
  - Directing further Management follow-up