



Memorandum

To: ISO Board of Governors

From: Roger Collanton, Vice President, General Counsel and Corporate Secretary

Date: July 19, 2017

Re: Decision to modify EIM Governing Body compensation

This memorandum requires Board action.

EXECUTIVE SUMMARY

The EIM Governing Body Chair, or his or her designee, attends noticed ISO Board of Governors meetings when necessary to provide reports on activities or advisory input to the Board on policy initiatives that affect the western energy imbalance market. The Chair receives a fee for each day of participation at noticed Board meetings, but does not receive a fee for the required preparation time. Given that such participation requires preparation that is similar to the preparation for a noticed EIM Governing Body meeting, Management recommends modifying the compensation structure for the EIM Governing Body to include a preparation fee for the Chair, or his or her designee, for time spent preparing to attend noticed Board meetings. As modified, the EIM Governing Body chair, or designee, will be paid a fee of \$750 for each meeting day for time spent preparing for a noticed ISO Board of Governors in-person meeting, and a fee of \$500 for each meeting day for time spent preparing for a noticed ISO Board of Governors teleconference meeting.

Motion

Moved, that in accordance with Article III, Section 16 of the bylaws, the ISO Board of Governors hereby modifies the compensation to EIM Governing Body members, effective July 26, 2017, by adding a provision for preparation fees for the EIM Governing Body chair or the chair's designee for time spent preparing for a noticed ISO Board of Governor's meeting, as set forth in the memorandum dated July 19, 2017.

Modified EIM Governing Body compensation

Upon Board approval, the full compensation structure, as modified, for the EIM Governing Body will be as follows, effective July 26, 2017:

- ***The standard annual retainer paid to an EIM Governing Body member shall be \$20,000, paid in accrued quarterly installments;***
- ***A fee of \$750 shall be paid for each day of participation at a noticed in-person meeting, and a fee of \$500 shall be paid for each day of participation in a noticed teleconference meeting;***
- ***A fee of \$750 for each meeting day shall be paid for time spent preparing for a noticed in-person meeting, and a fee of \$500 for each meeting day shall be paid for time spent preparing for a noticed teleconference meeting;***
- ***A fee of \$750 shall be paid to the EIM Governing Body Chair or his or her designee for each day of participation at a noticed ISO Board of Governors in-person meeting, and a fee of \$500 shall be paid for each day of participation in a noticed ISO Board of Governors teleconference meeting;***
- ***A fee of \$750 for each meeting day shall be paid to the EIM Governing Body Chair or his or her designee for time spent preparing for a noticed ISO Board of Governors in-person meeting, and a fee of \$500 for each meeting day shall be paid for time spent preparing for a noticed ISO Board of Governors teleconference meeting;***
- ***A fee of \$750 shall be paid for each day of in-person participation at ISO-sponsored stakeholder events where the Chief Executive Officer or the Chair of the ISO Board of Governors specifically requests EIM Governing Body member attendance;***
- ***A fee of \$750 shall be paid to new EIM Governing Body members for each day of participation in the ISO's EIM Governing Body member orientation process;***
- ***A fee of \$750 shall be paid to new EIM Governing Body members for time spent preparing for each day of participation in the ISO's EIM Governing Body member orientation process;***
- ***EIM Governing Body members who attend meetings or events as representatives of the EIM Governing Body, including ISO/RTO Council***

meetings and other electric utility or power industry meetings, at the request of the Chair of the EIM Governing Body or ISO Management in consultation with the Chair, are not eligible for compensation but shall be eligible for reimbursement of reasonable expenses, as deemed appropriate and approved by the Chair of the EIM Governing Body;

- ***EIM Governing Body members shall be eligible for conference fees and reasonable expenses associated with seminars, training and conferences related to corporate governance or best practices for Governing Boards, deemed appropriate and approved by the Chair of the EIM Governing Body; and***
- ***Reasonable expenses associated with in-person or teleconference meetings, orientation, seminars, training and conferences, as set forth above, shall be reimbursed in compliance with the ISO Travel Policy for Governors.***

CONCLUSION

Management recommends that the Board approve this modification to the EIM Governing Body compensation structure. It will enable the ISO to recognize and compensate fairly the Chair or designee for time spent preparing to present at noticed Board meetings.