

Background:

Original Driver / Issue to Address: The language in Sections 8.3 and 8.4 of Manual 34 is inconsistent with other language in those sections and is not currently applied in the stakeholder process as dictated by those sections. Current practice is that the “preference” question is asked only of the top vote getter at the Standing Committee and is not viewed as a determinant in whether or not the proposal advances. It is currently considered to be non-binding. The following provide examples of the language inconsistencies:

- The second sub-bullet under Section 8.3 – Decision Making states that: “Any proposal/option that passes a simple majority threshold is forwarded to the Senior Standing Committee for consideration. If more than one option receives a simple majority vote, the option with the highest majority and is also preferred to the status quo is presented as the Main Motion at the Senior Committee”. The first sentence under this sub-bullet permits “any” proposal that passes the simple majority to move to the Senior Standing Committee and then, in the second sentence, conditions it with it passing the “preference” question to be eligible to advance. Although the second sub-bullet under section 8.4 asks that the “preference” question be asked of all proposed alternatives, it is silent on whether or not they have to receive a simple majority to advance (as does the main motion).
- The second sub-bullet under Section 8.4 refers to the “preference” question as “non-binding”. In fact, it is binding in that if a proposal fails to achieve greater than 50% preference over the status quo, it would not move forward under language in this section.
- Under the current language, only the main motion will be subject to a second test on the “preference” question. Alternate motions are automatically advanced to the senior Standing Committee as long as they achieve a simple majority, without passing the “preference” question. And, if only one package is offered and receives majority support there is no call for a preference over the status quo.

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Subgroup Members: Gary Greiner, Adrien Ford, Erik Heinle

Seeks to Accomplish: The proposed changes were offered to:

- Provide clarifying language to affirm that the preference over the status quo 50% requirement is in fact binding, requiring any proposal with greater than a simple majority to eclipse the simple majority with respect both votes at the Standing Committee to advance to the Senior Standing Committee unless otherwise provided for elsewhere in Manual 34.
- Establish that the “preference” question be asked of all proposals.
- Asserts that there will be no ranking of proposals with respect to the “preference” question, only that they achieve a simple majority to become eligible to advance. That is, the vote on the proposal itself governs.
- Establish the order by which the votes will be taken and disclosed to ensure a fair and competitive process.

Proposed Changes:

8.3 Decision Making

The goal of the Standing Committees is to reach as much agreement as possible on a single proposal, unless the Senior Standing Committee requests multiple options. When a consensus proposal cannot be

developed for promotion to the Senior Standing Committees, then the Standing Committees shall forward proposals/options to the Senior Standing Committee according to procedures noted below:

- At Standing Committees (other than the Senior Standing Committees), all Members have one vote. Members include Voting Members and Affiliate Members;
- Any proposal/option that passes a simple majority threshold, and is preferred over the Status Quo by more than a simple majority threshold, is forwarded to the Senior Standing Committee for consideration. If more than one proposal/option receives a simple majority vote, the proposal/option with the highest majority and is also preferred to the status quo is presented as the Main Motion at the Senior Standing Committee. Other proposals/options may also be forwarded consistent with the section below on Reporting;
- Should the Standing Committee not reach a simple majority on any proposal/option, they continue to work until:
 - o They have at least one proposal to forward to the Senior Standing Committee that attains a simple majority and is preferred over the Status Quo by more than a simple majority threshold; or
 - o They decide to remand an issue back to a Task Force or Subcommittee for further development with clear instructions; or
 - o The Senior Standing Committee asks for multiple proposals even if they do not garner a simple majority of support, or the Senior Standing Committee asks them to stop working on the issue; or
 - o The Standing Committee approves the recommendation by the facilitator to discontinue work on the issue.
- There is no quorum or other participation requirement in voting at the Standing Committees ~~(with the exception of the Members Committee)~~. Votes are taken with the Members present (via phone or in-person) including proxies and affiliates. 8.4 Voting Method

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This methodology applies to all official votes and at Standing Committees, Senior Task Forces, and Subcommittees that report to the Senior Standing Committees (but not straw polling that may be used as described in the Facilitation Tool Box included in Appendix IV).

The matrix in Appendix III provides a consolidated view of the decision-making and voting methods at the various levels in the stakeholder process:

- Any Member, be they a Voting Member or an Aaffiliate Member, may vote;
- All proposals with a sponsor that are requested to be voted, are voted;
- If a proposal listed as a voting item on the agenda and posted by the required posting time, no motion is needed to hold the vote;
- Proposals, posted or not, brought up for vote during a meeting, shall be moved and seconded;

- Each Member gets one vote per proposal;
- The proposal that receives the highest percentage vote above 50% and is preferred over the Sstatus Quo by more than a simple majority threshold becomes the primary or Mmain Mmotion at the Senior Standing Committee;
- One representative of a company at the meeting may vote for all of its affiliated companies;

An authorized agent may vote for multiple Members:

- Votes shall be taken in the following manner:
 - o Votes on each proposed-proposal alternative – each Member may vote yes, no or abstain on each proposed-proposal alternative.

- A second vote will be taken asking whether participants prefer each proposed-proposal alternative over the status quo. For such votes - each Member may also vote yes, no or abstain,
- The votes for all proposed-proposals alternatives and for preference over the status quo will be disclosed after all votes have been taken.

o If any proposed-proposal alternative receives greater than 50%, a second non-binding vote will be taken asking whether participants prefer the option with the highest percentage in favor greater than 50% over the status quo. AND o If a simple majority prefers the proposed-proposal alternative over the status quo, the proposed-proposal alternative with the greatest support it will become the Mmain Mmotion at the Markets and Reliability Committee (MRC), and any other proposed-proposals alternatives that received both greater than 50% support AND greater than 50% preference over the status quo, but not the highest support, will become the -Aalternative Mmotions at the MRC in descending order of their support. The status quo preference must only exceed the 50% threshold and will have no bearing on the ranking of the proposals or the order of voting at the MRC. at the MRC in descending order of support;

o If a simple majority does not prefer If all proposals fail to no proposals alternatives achieve both greater than 50% support AND greater than 50% preference over the status quo, the proposed alternative over the status quo, If no proposals achieve the threshold to advance to the Senior Standing Committee, the Cehair shall lead a discussion to determine whether to continue working on additional proposed-proposals alternatives or to terminate work on the issue and report to its Pparent Ccommittee as described above. The report will still include the all solutions-proposals, the respective support for each solution that received the highest percentage greater than 50% as the main motion and the preference of those proposals over the status quo, and if applicable, the Standing Committee's decision to terminate work on the issue.

The language in Section 8.4 does not impede a Member's right to move or second a proposed alternative for MRC consideration as otherwise provided for in Manual 34 (i.e. Sections 9.4 or 9.5).