

# **NAAIB Governance Subcommittee Straw Proposal for Membership and Governance**

## **Objective and Purposes**

The primary objective of this corporation (NAAIB) is to create a forum for the coordination and cooperation of existing and emerging systems issuing, tracking or registering electric generation or conservation certificates or related environmental attributes in North America, and to foster the development of new systems.

The NAAIB will focus on the following organizational activities.

1. Facilitate the creation of voluntary standards and protocols that promote compatibility among existing and emerging certificate issuing or tracking systems in North America.
2. Convene representatives of North American issuing or tracking systems on a regular basis to discuss common issues and resolve common problems.
3. Maintain an aggregated renewable energy "Generator Registry" for North America to facilitate the efforts of the issuing or tracking systems to ensure that electric generation or conservation certificates are not double-counted.
4. Maintain a library of resources to assist existing and emerging issuing, tracking or registering systems, including but not limited to, model contracts and agreements, legal arguments, operating rules, best practices, lessons learned, etc.
5. Provide a forum for the resolution of different interpretations of NAAIB standards, protocols or best practices.
6. Provide a forum for discussions relating to interaction between North American certificate issuing or tracking systems and emissions registering and accounting bodies.
7. Provide a forum for representatives of North American greenhouse gas registries to meet on a regular basis to discuss common issues, develop common standards and resolve common problems.
8. Issue reports on North American aggregated certificate and related market activity.
9. Consult with jurisdictions whose stakeholders are interested in developing a certificate or environmental attributes tracking system.

## **Board of Directors**

**Responsibilities:** The Board of Directors is ultimately responsible for all activities of

NAAIB, substantive policy as well as the legal and financial aspects. The members are subsidiary to the Board, which derives its authority by virtue of the fact that it is elected by the members (after an initial period of interim appointments as part of legal organization).

**Number of Directors:** Up to 15

**Establishment of Councils:** The Board of Directors shall establish separate Councils for each distinct area of interest. Initially, the Board will establish a Council to support the activities of energy certificate tracking systems. At its discretion, the Board may establish other Councils as appropriate. The Board may provide guidance or establish rules for the scope and operation of each Council.

**Council Representatives to the Board of Directors:** Each Council will elect two representatives for the NAAIB Board of Directors. (While there is only one Council, the Council may elect three members.)

**Unscheduled Vacancies on the Board:** After the first Board of Directors is constituted, vacancies on the Board (outside the regular term election cycle) may be filled by nomination by the Chair/Vice Chair of the representative body and approved by a simple majority of the Board. A person elected to fill a vacancy as provided by this Section shall hold office for the remainder of the term of the previous Director.

Though NAAIB Council Members are organizations that designate a member of that organization to represent them on the Council, Directors of NAAIB shall be elected as individuals, and should that individual cease to serve for some reason, a new person will be elected to fill that Director position (the organization that they represented may not appoint someone new to replace the elected Board member).

**NAAIB Board Start-up:** During the start-up of NAAIB (e.g. while there is only one Council) three members to the Board shall be elected by the Council. (After there is more than one Council, each Council will be restricted to two representatives only. When and if that happens, the initial Council – with three Board Members – will decide at the time of their next election which two Board representatives remain). The Governmental Advisory Committee shall elect one representative to the Board from each country participating in the Committee. Two Board Members will be elected by the Stakeholder Advisory Committee. The Secretary General of NAAIB will also participate as a voting Board Member.

**Composition of Board after Start-up:** If another Council is added, that Council will elect two representatives to the Board. If there are governmental bodies associated with the activities of the new Council, the Governmental Advisory Committee will elect one representative from each participating country to sit on the NAAIB Board as non-voting members.

**Quorum:** A majority of the Directors. (The same quorum and voting rules will apply to meetings carried out electronically.)

**Term of Service:** Directors shall be elected by NAAIB members for staggered three year

terms. Each Director shall hold office until his or her successor is elected and qualifies, unless there is an unscheduled vacancy. A director may serve multiple terms of office.

**Resignation from the Board:** Any director may resign effective upon giving written notice to the Chairperson of the Board, the Secretary/Treasurer, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation.

**Removal from Office:** Removal of a Director may occur, with or without cause, by a two-thirds vote of all Directors then serving in office, or by a two-thirds vote of the body that elected the Director, or as a consequence of being absent from three consecutive Board meetings without explanatory communication acceptable to the Board Chairperson and upon a vote to remove by a majority of the quorum present.

**Approval of NAAIB Documents:** The Board of Directors shall have ultimate responsibility for final documents for publication as NAAIB documents, but may delegate this responsibility to the Secretary General as it sees fit.

**Conduct of Business:** Business will be conducted according to Sturgis Rules of Order or other rules as chosen by the Board of Directors. [Roberts Rules of Order, though better known in the US, is arcane and reflects 18<sup>th</sup> century practice.]

**Compensation:** Directors shall serve without salary or other compensation, but the Board of Directors may authorize reimbursement for any expense incurred by a Director of the Board in the performance of his/her duties. Nothing herein contained shall be construed to preclude any Director from serving the NAAIB in any other capacity as an officer, agent or otherwise from receiving compensation therefore.

**Frequency of Meetings:** Board meetings will occur not less than twice annually.

## Councils

**Eligible Organizations:** A Council of certificate issuing tracking or registering systems will be established by the Board of Directors. A preliminary list of organizations eligible for membership in this Council is as follows:<sup>1</sup>

- Organizations that manage or operate a tracking system; [These would include ERCOT, WREGIS, PJM-EIS, NEPOOL, NJ BPU for the Solar RECs system, Wisconsin PSC for its own RRC program currently.]
- Organizations that are developing tracking systems may be eligible for membership in the Council if they:
  - Demonstrate evidence of general regional support to develop a tracking system (e.g., stakeholder meetings, letters of support, multiple interest involvement); and
  - Agree on what organization is to represent them (e.g. someone from the regulatory agency or energy office). Note that this organization may change as they get closer to implementation and operation.

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<sup>1</sup> This detail is not included in the draft bylaws, but suggests criteria the Board of Directors might adopt

- The Board may establish additional criteria for membership.
- Entities that are contracted to administer a tracking system are not eligible for membership in the Council. Only the entity that has overall management responsibility (e.g., decision making authority about system functional capabilities, or contracting responsibility with the day-to-day administrator) may be a member. A member may, however, designate and appoint an employee of the contracted administrator to represent the member.

**Approval of Membership:** The Board shall establish procedures for approving membership to a Council. Membership is open to organizations. Each organization will then designate a person (and an alternate, if desired) to represent it on the Council. The Board shall make the final decision by a majority vote of the quorum.

**Organizational Representation:** Each Council Member shall have one voting representative on the Council plus an alternate. Each Member will appoint its representative and alternate to the Council.

**Other Councils:** Other Councils may be established at a later time at the discretion of the Board of Directors. The Board might initiate a new Council when it determines appropriate, or it could respond if an interest group (e.g., carbon allowance tracking, carbon registries) applies to NAAIB. As part of their application letter they must define the interest group and membership eligibility criteria. This application must be approved by the Board of Directors, which, if it approves the application, will establish a separate Council.

**Officers of the Council:** Each Council shall annually elect a Chairperson and Vice Chairperson from the individuals representing the Members by a majority vote of the quorum participating in that meeting. (The meeting may be held electronically if desired – the voting rules are the same). The process for nominations and election will be determined by each Council.

The Chair or Vice-Chair of a Council may appoint ad hoc working groups as needed.

**Activities of the Council:** It is the responsibility of each Council to prepare a plan of activities (e.g., issues, reports, meetings) and budget for the coming year, and to submit it to the Board of Directors for consideration and action.

Reports, recommendations or other public statements prepared by a Council may be published with the approval of the Board of Directors, provided, however, that the Board may delegate review and approval of such publications to the Secretary General. In reviewing proposed publications, the Secretary General shall decide whether the publication creates or implies any legal or financial obligations or responsibilities for the NAAIB, and if the answer is in the affirmative, the publication shall be reviewed and acted upon by the Board before publication.

A Council may circulate draft reports or recommendations to interested stakeholders from the Stakeholder and Governmental Advisory Committees (These are Affiliate Members) without the approval of the Board.

**Council Quorum:** A quorum of the Council is established by the presence of a majority of the members.

**Approval of Documents:** Approval of documents by a Council shall be by a majority vote of a quorum. Such document is then sent to the Board or Secretary General, according to rules established by the Board of Directors, for final approval. If there is significant disagreement, the Board may decide if it wants to issue the report as is, include a minority report or issue no report.

**Fees:** Council members will pay an annual fee established by the Board of Directors

## **Stakeholder Advisory Committee**

**Affiliate Membership:** Stakeholder entities are eligible to become affiliate members. Approval by the Board is not necessary for affiliate members.

**Participation:** Participation in the Stakeholder Advisory Committee is open to any interested entity that becomes an affiliate member of NAAIB. Each affiliate member shall name a representative and may name an alternate to the Committee.

**Organization of Stakeholder Advisory Committee:** The Stakeholder Advisory Committee shall elect a Chair and Vice Chair and organize itself in other ways as it sees fit.

**Fees:** Affiliate members shall pay the annual fee established by the Board of Directors.

**Activities of the Committee:** The Stakeholder Advisory Committee is entitled to:

- Elect two members to the Board of Directors;
- Raise issues to the attention of the Council or Board of Directors as appropriate, by notifying the Secretary General of NAAIB;
- Propose work items for the Council(s) for the coming year;
- Review and provide comment on draft reports, recommendations, protocols, best practices, etc. prior to their being made final; and
- Receive support from the NAAIB staff for communications and meetings among themselves.

## **Governmental Advisory Committee**

**Participation:** Participation is open to any regulatory or governmental agency interested in participating. Approval by the Board is not necessary.

**Agency Representative:** Each participating agency will have one voting representative on the Committee plus an alternate. Each agency itself will appoint its representatives to the Committee.

**Corresponding Participation:** Individuals employed by government/regulatory agencies that are not formally appointed by their agency may participate in the Governmental Advisory Committee as non-voting, Corresponding Participants.

**Organization of Governmental Advisory Committee:** The Secretary General shall chair the Governmental Advisory Committee until such time as the Committee elects its own Chair and Vice Chair. The Committee may organize itself in other ways as it sees fit.

**Activities of the Committee:** The Governmental Advisory Committee may:

- Elect one representative from each participating country in the Governmental Advisory Committee as non-voting representatives to the Board of Directors;
- Raise issues to the attention of a Council or Board of Directors as appropriate, by notifying the Secretary General of NAAIB;
- Propose a plan of activities (issues, reports, meetings) for the coming year, and submit it to the Board of Directors for consideration and action;
- Propose work items for the Council(s) for the coming year;
- Review and provide comment on draft reports, recommendations, protocols, best practices, etc. prior to their being made final; and
- Receive support from the NAAIB staff for communications and meetings among themselves.

**Fees:** Participating governmental agencies will pay an annual fee established by the Board of Directors unless exempted by the Secretary General.

## **Secretary General**

The Secretary General is an employee or contractor hired by the Board of Directors. The Secretary General serves as the Chief Executive Officer and is responsible for ensuring that the administrative and research needs of the NAAIB Board of Directors, the Councils and Committees are being met.

Administrative support staff may be hired or contracted for as needed to support the Secretary General consistent with the Board approved NAAIB budget. The Secretary General is responsible for managing the support staff/contractors providing administrative services to the NAAIB.

## **Amendment of Bylaws**

Bylaws may be altered, amended, or repealed and new Bylaws adopted by an affirmative vote of two-thirds of the Directors eligible to vote.