

**North American Association of Issuing Bodies
Conference Call
Final Meeting Notes**

August 15, 2006 2:00-3:30 pm EDT

Telephone Participants:

• Dennis Duffy, Energy Management, Inc./GIS	• John Pappas, PG&E WREGIS
• Lynne Fountain, DBH/NEPOOL	• Joe Parella, NY DPS
• Wayne Fuhrman, NY DPS	• Jan Pepper, Clean Power Markets/NJ SRECS
• Jan Hamrin, CRS	• Jeff Peterson, NYSERDA
• Paul Helgeson, Wisconsin PSC M-RETS	• Andy Riebel, NY DPS
• Ed Holt, consultant to CRS	• Ken Schuyler PJM-EIS/GATS
• Joe Kerecman, PJM-EIS	• Bill Short, Ridgewood Power
• Roy McCoy, ERCOT	• Meredith Wingate, CRS
• Greg Morris, Green Power Institute/WREGIS	• Leslie Welsh, Environment Canada
•	• Kate Zocchetti, California Energy Commission/WREGIS

Introduction

Meredith introduced the call by reviewing the agenda:

- Next steps to developing the NAAIB organization
- Additional comments on the draft on transferring certificates across tracking system boundaries
- Summary and resolution of stakeholder comments on BTM Common Practices document

Organizing Issues

Meredith stated that after the last call she polled representatives of tracking systems that were not on the call to determine their preferences about which of the 4 options they prefer. She reported that there is a majority of tracking systems that preferred to proceed with a goal of incorporating NAAIB as a separate entity. CRS will help move the group forward as desired. The question Meredith posed to the group is whether to begin work towards that goal immediately, or to wait a bit while continuing to work on best practices.

There was some discussion as to whether all options, including the option 4 which was developed on the last call, were presented during the polling process, and Meredith confirmed that they were. Meredith also explained that the polling process essentially counted each tracking system in development or in operation as one entity.

Meredith stated that working towards the goal of incorporation requires that the Working Group address issues regarding governance, decision-making, and funding. There was some back and forth about whether we should pursue this goal at all. Dennis expressed a preference that this activity remain an informal consultative process. Joe K. commented that he thought incorporation was premature, until there was more clarity on the contents of the NAAIB charter and what obligations and commitments members would be subjected to. Jan H. pointed out that there is a significant core group that is interested in moving in this direction, so it is not really something that CRS wants to debate again.

As for the timing, some participants are interested in starting down this path right away, if it's going to take a year. It was stated that it took WREGIS three or four months, but that was after all the parties agreed it was something they wanted to do and there were frequent conference calls. The rationale for delaying work towards incorporation and making governance decisions in the near term is that some tracking systems won't be up and running for at least a year (M-RETS and WREGIS). Another reason for delay might be to make more progress on substance first. Another contrary perspective was that it will be difficult to make progress on substantive issues until we know how decisions are going to be made.

Dennis and Joe K. both made comments to the effect that their systems are governed, directly or indirectly, by state regulatory agencies, so they need to have more information on the obligations of membership before they can commit to participation long-term. Andy added that having missed the last few calls, New York is unsure about formal involvement; they will have to give this some thought. Paul noted that not all tracking systems are governed by a regulatory process, and some are privately run.

In response, Meredith pointed out that no tracking system is obligated to participate in an NAAIB organization in advance of seeing all the information about governance and funding. Then the various Issuing Bodies can determine whether or not they want to be part of NAAIB. A second issue is bandwidth—does the Group have the capability to move forward with substantive issues at the same time we work towards incorporation?

Jeff suggested that this might be a two-step process. First, defining the role of the NAAIB and responsibilities of members, and the second step with individual tracking systems deciding whether they want to be members.

There was a question about CRS obligations made to funders. Meredith explained that the primary tasks that CRS has promised to do are to develop best practices on various substantive issues and to provide staff support to launch NAAIB as an independent, self-sustaining entity.

Paul suggested we start now on the organizational documents. Paul said that we need to have something to react to, which means having some documents in front of us, so we should proceed towards formalizing the organization.

Roy asked how long the process would take. Jan H. said that for WREGIS the governance issues took 3-4 months, but that we could do the work and delay taking legal action on incorporating until a later time when more tracking systems are in a better position to decide whether to commit.

Joe P. asked what the near term tasks are. Jan H. answered that the main tasks are to refine the mission statement or purpose of organization, identify ongoing funding, then to address how decisions will be made and composition of the governing board. Dennis also added that we need to be clear about the obligations of the participants. Dennis and Joe K. also noted that state and/or power pool decision-making roles need to be respected.

Some comments anticipated the discussion about the mission and purpose. For example, some participants stated the goal should be to facilitate broader REC trading, while others disagreed, and thought that each system is too different to do much beyond consultation. Another perspective suggested was to differentiate between having the functional ability to do broader trading versus a policy encouraging broader trading.

Roy felt there is value in moving ahead to create the governance documents, commenting that ERCOT can't commit any money until they know what our objectives are. He felt that CRS was trying to lead the group in a discussion of this issue. Paul urged that we move forward to see if we can put something together. We should begin now (Option 1) to develop the supporting materials. Greg and John agreed. Dennis expressed skepticism that the group will be able to come to much agreement on substantive issues because of the differences between systems. Leslie responded that he viewed the NAAIB as a facilitating body that may influence decisions, but whether or not states decide to adopt is a question for each state/province. He noted that we're not going to resolve these issues unless we work on them. He recommended that we work towards a goal of incorporation in 2007, with the final decision whether to incorporate coming later.

Roy asked if we can work on both organizing issues and substantive issues at the same time. Meredith proposed that a subcommittee work on organizing and governance issues in parallel with some of the substantive issues. We could do some work in parallel but we would need to bring the work of the subcommittee on governance back to the full working group.

Several people agreed that the subcommittee approach is the way to go. Lynn asked how we will get started and if we would work from the initial materials developed last year. Meredith responded that all materials have been modified, so there are newer drafts to start with. Jan H. responded that she thinks a small group should work on a straw proposal that CRS will develop to get started. Then the small group will have a call and work on it until we have agreement. She called for volunteers for a subcommittee to work

with her to review the revised documents and decide what additional changes should be made.

Roy and Leslie offered to participate. Jan P. will check with New Jersey on whether they want her to represent them.

Jan H. will identify a list of items and issues that we need to work on. Dennis suggested that we work from a term sheet for key issues so we can ignore a lot of boilerplate language.

Comments on Draft Transferring Certificates Across Boundaries

Meredith asked if there are any further comments on this draft of July 20. Dennis brought attention to his proposed edits of July 25, and suggested the document should recognize different approaches. Leslie questioned the wisdom of having multiple “best practices” because it runs the risk of becoming a smorgasbord. Just because there’s a best practice doesn’t mean that any or all tracking systems have to adopt it.

Jan H. suggested that the document could be better received if we make it an IF-THEN statement. Need to be clear about the purpose, If you are trying to facilitate tracking of RECs across boundaries, then this is how you do it. Similarly, if you want to issue and track RECs from BTM systems, then this is the recommended best practice. This would help keep the purpose clear.

Meredith said she would accept any additional comments until the end of the week (August 18), and she would consider all comments in revising the draft. After that she will send it to the working group and other stakeholders. Dennis asked to see a redraft.

Stakeholder Comments on Behind the Meter Best Practices

In the last five minutes of the call, Meredith asked whether the group wanted to stay later to discuss the comments received from stakeholders on the BTM Common Practices. Several comments asked for clarification, but a few were more substantive. Because of the time, participants preferred to try to handle the comments by email.

Next Steps

People who volunteered to work on the governance issues subcommittee will be hearing from Jan H. in the next couple weeks.

The next call is scheduled for September 20. Meredith will send out an email soon to schedule calls for October and November.