

Excerpt from Reliability Standards Development Procedure Appendix B – Development of the Registered Ballot Body¹

Registration Procedures

The Registered Ballot Body comprises all organizations and entities that:

1. Qualify for one of the segments, and
2. Are registered with NERC as potential ballot participants in the voting on standards, and
3. Are current with any designated fees.

Each participant, when initially registering to join the Registered Ballot Body, and annually thereafter, will self-select to belong to one of the segments described above.

NERC general counsel will review all applications for joining the Registered Ballot Body, and make a determination of whether the self-selection satisfies at least one of the guidelines to belong to that segment. The entity will then be “credentialed” to participate as a voting member of that segment. The Standards Committee will decide disputes, with an appeal to the Board of Trustees.

All registrations will be done electronically.

Segment Qualification Guidelines

The segment qualification guidelines are inclusive; i.e., any entity with a legitimate interest in the reliability of the bulk power system that can meet any one of the guidelines for a segment is entitled to belong to and vote in that segment.

The general guidelines for all segments are:

- Corporations or organizations with integrated operations or with affiliates that qualify to belong to more than one segment (e.g., transmission owners and load serving entities) may belong to each of the segments in which they qualify, provided that each segment constitutes a separate membership and is represented by a different representative.
- At any given time, affiliated entities may collectively be registered only once within a segment.
- Any person or entity, such as a consultant or vendor, providing products or services related to bulk power system reliability within the previous 12 months to another entity eligible to join Segments 1 to 7 shall be qualified to join any one segment for which one of the entities receiving those products or services is qualified to join.
- Corporations, organizations, and entities may participate freely in all subgroups.

¹ The segment qualification guidelines were proposed in the final report of the NERC Standing Committees Representation Task Force on February 7, 2002. The Board of Trustees endorsed the industry segments and weighted segment voting model on February 20, 2002 and may change the model from time to time. The latest version (approved or endorsed by the NERC Board of Trustees) shall be used in the NERC Reliability Standards Development Procedure.

- After their initial selection, registered participants may apply to change segments annually, according to a defined schedule.
- The qualification guidelines and rules for joining segments will be reviewed periodically to ensure that the process continues to be fair, open, balanced, and inclusive. Public input will be solicited in the review of these guidelines.
- Since all balloting of standards will be done electronically, any registered participant may designate a proxy to vote on its behalf. There are no limits on how many proxies a person may hold. However, NERC must have in its possession, either in writing or by email, documentation that the voting right by proxy has been transferred.

Segments

Segment 1. Transmission Owners

- a. Any entity that owns or controls at least 200 circuit miles of integrated transmission facilities, or has an Open Access Transmission Tariff or equivalent on file with a regulatory authority.
- b. Transmission owners that have placed their transmission under the operational control of an RTO.
- c. Independent transmission companies or organizations, merchant transmission developers, and transcos that are not RTOs.
- d. Excludes RTOs and ISOs (that are eligible to join to Segment 2).

Segment 2. Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs)

- a. Any entity authorized by appropriate governmental authority to operate as an RTO or ISO.

Segment 3. Load-Serving Entities (LSEs)

- a. Entities serving end-use customers under a regulated tariff, a contract governed by a regulatory tariff, or other legal obligation to serve.
- b. A member of a generation and transmission (G&T) cooperative or a joint-action agency is permitted to designate the G&T or joint-action agency to represent it in this segment; such designation does not preclude the G&T or joint-action agency from participation and voting in another segment representing its direct interests.

Segment 4. Transmission Dependent Utilities (TDUs)

- a. Entities with a regulatory, contractual, or other legal obligation to serve wholesale aggregators or customers or end-use customers and that depend primarily on the transmission systems of third parties to provide this service.
- b. Agents or associations can represent groups of TDUs.

Segment 5. Electric Generators

- a. Affiliated and independent generators.

- b. A corporation that sets up separate corporate entities for each one or two generating plants in which it is involved may only have one vote in this segment regardless of how many single-plant or two-plant corporations the parent corporation has established or is involved in.

Segment 6. *Electricity Brokers, Aggregators, and Marketers*

- a. Entities serving end-use customers under a power marketing agreement or other authorization not classified as a regulated tariff.
- b. An entity that buys, sells, or brokers energy and related services for resale in wholesale or retail markets, whether a non-jurisdictional entity operating within its charter or an entity licensed by a jurisdictional regulator.
- c. G&T cooperatives and joint-action agencies that perform an electricity broker, aggregator, or marketer function are permitted to belong to this segment.

Segment 7. *Large Electricity End Users*

- a. At least one service delivery taken at 50 kV (radial supply or facilities dedicated to serve customers) that is not purchased for resale.
- b. A single customer with an average aggregated service load (not purchased for resale) of at least 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents or associations can represent groups of large end users.

Segment 8. *Small Electricity Users*

- a. Service taken at below 50 kV.
- b. A single customer with an average aggregated service load (not purchased for resale) of less than 50,000 MWh annually, excluding cogeneration or other back feed to the serving utility.
- c. Agents, state consumer advocates, or other advocate groups can represent groups of small customers.
- d. Any entity or person currently employed by an entity that is eligible to join one or more of the other eight segments, shall not be qualified to join Segment 8.

Segment 9. *Federal, State, and Provincial Regulatory or other Government Entities*

- a. Does not include federal power management agencies or the Tennessee Valley Authority.
- b. May include public utility commissions.

Segment 10. *Regional Reliability Organizations and Regional Entities*

- a. Any entity that is a regional reliability organization or regional entity, as defined in NERC's Bylaws. It is recognized that there may be instances in which an entity is both an RTO or ISO and a regional entity or regional reliability organization. In such a case, the two functions must be sufficiently independent to meet NERC's Rules of Procedure and applicable regulatory requirements, as evidenced by the approval of a regional entity delegation agreement. Without such an approval, the entity shall be limited to choosing to enter one segment or the other, but not both.

Appendix C – Examples of Weighted Segment Voting Calculation

(Assumptions on numbers of entities are purely hypothetical and used only for illustrative purposes.)

Ballot Body and Pools

Segment	Registered Ballot Body	Ballot Pools	
		Standard #1	Standard #2
1. Transmission Owners	300	250	100
2. RTOs and ISOs	10	10	8
3. LSEs	200	100	50
4. TDUs	100	75	50
5. Electric Generators	25	20	25
6. Brokers, Aggregators, and Marketers	10	10	10
7. Large End-Use Customers	5	1	4
8. Small End-Use Customers	25	10	5
9. Regulators or Other Government Entities	50	10	15
10. RROs and REs	10	10	8
Totals	735	496	279

Example 1

Segment	Ballot Pool	Votes				Abstain	No Ballot
		Affirmative		Negative			
		# Votes	Fraction	# Votes	Fraction		
1	250	200	0.833	40	0.167	10	0
2	10	8	0.800	2	0.200	0	0
3	100	60	0.632	35	0.368	5	0
4	75	50	0.714	20	0.286	0	5
5	20	7	0.412	10	0.588	2	1
6	10	6	0.600	4	0.400	0	0
7	1	0		0		1	0
8	10	0		0		0	10
9	10	8	0.800	2	0.200	0	0
10	10	7	0.700	3	0.300	0	0
Totals	496	346	5.491	116	2.509	18	16
Ballots	480	96.8%					
Wtd Vote			0.686		0.314		

Weighted segment vote is greater than two thirds AND more than 75% of the Standard ballot pool returned a ballot. Standard is approved.

No "Affirmative" or "Negative" votes cast, so segments not counted in total weighting.

Percent ballots returned
 $= (480/496) \times 100$
 $= 96.8\%$

Weighted segment vote
 $= (\text{Total Fraction}) / (\text{Segments Counted})$
 $= 5.491 / 8$

Trustees Adoption:
 November 1, 2006

Example 2

Segment	Ballot Pool	Votes				Abstain	No Ballot
		Affirmative		Negative			
		# Votes	Fraction	# Votes	Fraction	# Votes	
1	100	25	1.000	0	0.000	0	75
2	8	6	.8*0.750	2	.8*0.250	0	0
3	50	30	0.600	20	0.400	0	0
4	50	25	0.833	5	0.167	0	20
5	25	18	0.783	5	0.217	2	0
6	10	6	0.600	4	0.400	0	0
7	4	4	.4*1.000	0	.4*0.000	0	0
8	5	5	.5*1.000	0	.5*0.000	0	0
9	15	7	.7*1.000	0	.7*0.000	5	3
10	8	8	.8*1.000	0	.8*0.000	0	0
Total	275	134	6.816	36	1.384	7	98
Ballots	177	64.36%					
Wtd Vote			0.831		0.169		

Weighted segment vote is greater than two thirds BUT less than 75% of the standard ballot pool returned a ballot. Standard is NOT approved due to lack of a quorum.

Segments with less than 10 votes (affirmative or negative) are discounted such that each vote counts 0.1 of the segment weight.

6.816/8.2 = .802 or 82.2 % approval. Denominator is reduced because Segment 2 counts .8; 7 counts 0.4; Segment 8 counts 0.5; Segment 9 counts 0.7; and Segment 10 counts .8.