

Railbelt Reliability Council

Bylaws

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ACRONYMS & ABBREVIATIONS

AAA	American Arbitration Association
AAC	Alaska Administrative Code
AS	Alaska Statute
Board	RRC Board of Directors
CEO	chief executive officer
Chair	RRC Board of Directors Chair
LSE	Load-serving Entity
RCA	Regulatory Commission of Alaska
RRC	Railbelt Reliability Council
TAC	Technical Advisory Council

ARTICLE 1 OFFICES

1.1 Principal Office

The principal office of the Railbelt Reliability Council (RRC) shall be located in the State of Alaska. The RRC may have such other offices, either within or outside the State of Alaska, as the RRC Board of Directors (Board) may determine or as the affairs of the RRC may require from time to time.

1.2 Registered Office

The RRC shall have and continuously maintain in the State of Alaska a registered office and a registered agent whose office is identical with such registered office, as required by the Alaska Nonprofit Corporation Act (Alaska Statute [AS] 10.20.005-10.20.725). The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board.

ARTICLE 2 BOARD OF DIRECTORS

2.1 Directors

2.1.1 General Powers

The business, property, and affairs of the RRC will be managed and controlled by the RRC Board of Directors, which shall be called its Board. The Board may exercise all of the powers of the RRC, subject to the restrictions of these Bylaws, the Articles of Incorporation, and the statutes of the State of Alaska.

2.1.2 Board Composition

The Board and Board Committees shall be Balanced¹ and diverse as defined in these Bylaws (Article 12 – Definitions).

2.1.2.1 *Number of Directors and Terms*

The number of Voting Directors shall never be less than three (3) and may be up to thirteen (13) and shall be odd in number. In addition to the Voting Directors, the Board will include the two (2) nonvoting directors required by AS 42.05.762(4)(A). Each Voting Director shall hold office for a three (3) year term and until their successor has been qualified and appointed. No Voting Director will serve more than three (3) consecutive three (3) year terms in office. In the case of a Voting Director originally appointed to a term of office of less than three (3) years, such term shall not be counted in applying this three (3)-term rule. A former Voting Director will be eligible for reappointment or reelection three (3) years after their previous term in office ended. No amendment of these Bylaws reducing the number of directors

¹ Capitalized terms are defined in Article 12.

shall reduce the terms of any incumbent director. The Board may establish qualifications for persons to serve as Voting Directors.

2.1.2.2 Stakeholder Classes

Each Voting Director and their alternate shall be assigned to a Stakeholder Class based on the entity or group appointing that Voting Director except for the Independent Director (Seat M; see Section 2.1.2.3 – Director Seat Allocation), who shall not be considered part of any Stakeholder Class. Any person may propose an additional or different stakeholder classification in Writing to the Governance Committee for consideration. The Stakeholder Classes are listed in Table 1.

Table 1 Stakeholder Classes

Class No.	Stakeholder Represented	Seat
1	Provider– Integrated – Cooperative	A-D
2	Provider– Distribution – Municipal	E
3	Provider – Distribution	F
4	Provider – State	G
5	Provider – Independent Power Producer	H-I
6	Consumer –Residential-Small Commercial	J
7	Consumer – Large Commercial-Industrial	K
8	Consumer – Environmental Advocacy	L

Note: Additional seats M through O do not have designated stakeholder classes.

2.1.2.3 Director Seat Allocation

Voting Directors and their alternates shall be appointed or elected as provided in this section. The Governance Committee shall manage all aspects of the Voting Director and alternate appointment and election processes. Except for those entities assisting in appointing the Seat G Director described below, in no event shall the representatives or entities assisting the Governance Committee in the appointment of Voting Directors and alternates be Affiliated with a government entity or be Affiliated with any entity that is already represented on the Board. If a director ceases to be drawn from and can no longer articulate the interests of their designed stakeholder class, the director is subject to removal by the Board. No entity and its affiliates or group may appoint more than one director except the Alaska Independent Power Producers Association, which may appoint two directors. The number of directors and alternates authorized pursuant to Section 2.1.2.1 – Number of Directors and Terms and defined herein as holding seats A through O, shall be seated with those persons qualified for Board service in accordance with Section 2.1.2.6 – Qualifications and the following criteria:

- A-E. Those directors holding seats A, B, C, D, and E, and their respective alternates, shall be appointed by Load-serving Entities (LSEs) or their successors. Each LSE shall appoint a director and an alternate. These seats shall be appointed by the following LSEs (or their successors in interest):

- Seat A. Chugach Electric Association, Stakeholder Class #1

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- Seat B. Golden Valley Electric Association, Stakeholder Class #1
- Seat C. Homer Electric Association, Stakeholder Class #1
- Seat D. Matanuska Electric Association, Stakeholder Class #1
- Seat E. City of Seward, Stakeholder Class #2

- F. The director holding Seat F (Stakeholder Class #3), and alternate, shall be appointed by Doyon Utilities, LLC. If an additional distribution LSE is directly interconnected to the electric energy transmission network in the Railbelt and holds a certificate of public convenience and necessity to provide electric distribution service, then the Board shall determine the appropriate entity to appoint the director for Seat F, in such a manner that maintains Board Balance.

- G. The director holding Seat G (Stakeholder Class #4), and alternate, shall be appointed by the Alaska Energy Authority or successor agency of the State of Alaska.

- H-I. The directors holding seats H and I (Stakeholder Class #5), and their respective alternates, shall be appointed by the Alaska Independent Power Producers Association or its successor association.

- J. The director holding Seat J (Stakeholder Class #6), and alternate, shall be appointed by that group, as determined by the Governance Committee, of not more than fifteen (15) entities representing residential and/or small consumer users of Railbelt electricity.

- K. The director holding Seat K (Stakeholder Class #7), and alternate, shall be appointed by that group, as determined by the Governance Committee, of not more than fifteen (15) entities representing large commercial and/or industrial users of Railbelt electricity and are either (1) among the top fifteen (15) energy or peak demand load users of total energy and/or peak demand from a single site (may be multiple meters but only if on the same campus or on adjacent parcels of real estate); or (2) a representative of an entity that is recognized as a large industrial or commercial user of Railbelt electricity.

- L. The director holding Seat L (Stakeholder Class #8), and alternate, shall be appointed by that group, as determined by the Governance Committee, of exempt organizations as defined under Internal Revenue Code § 501(c) representing electricity consumers who advocate in support of the reduction of environmentally harmful greenhouse gas emissions and/or other environmental concerns regarding the Railbelt electric system.

- M. The director holding Seat M (Independent Director), and alternate, shall be elected by the Board following the process in Section 2.1.2.10 – Election of Independent Director.

- N. The nonvoting director holding Seat N, and alternate, shall be appointed by the Regulatory Commission of Alaska (RCA).

- O. The nonvoting director holding Seat O, and alternate, shall be appointed by the Attorney General for the State of Alaska.

2.1.2.4 Board Terms

Voting Director and alternate terms expire at the end of each annual meeting according to the schedule in Table 2, except upon resignation or removal where new terms begin on subsequent election or appointment.

Table 2 Board Terms by Seat

Board Seat	Term Expiration
C, D, K, M	Annual Meeting 2023 and every three (3) years thereafter
A, E, G, H, J	Annual Meeting 2024 and every three (3) years thereafter
B, F, I, L	Annual Meeting 2025 and every three (3) years thereafter
N, O	No expiration date

2.1.2.5 Alternates

For each director, there shall be an alternate who shall, if the director is unavailable to exercise their powers, stand in place of and hold authority to exercise any and all power that the director for whom they are an alternate might otherwise exercise. Only the director’s alternate can attend Board and Board Committee meetings in lieu of the director. Alternates shall be appointed or elected in accordance with the provisions of these Bylaws at the same time as the director they are alternate for. Each alternate's term shall be the same as the term of the director they are alternate for. If a director’s seat becomes vacant, the alternate for that seat shall assume the role and responsibility of director for that seat in accordance with Section 2.1.2.8 – Filing Vacancies. The expectation of alternates is to remain cognizant of all Board business and to attend all meetings of the Board when the director is unavailable, or when the alternate is otherwise required by these Bylaws to vote.

2.1.2.6 Qualifications

Voting Directors and alternates shall be at least nineteen (19) years of age, not be a convicted felon, have relevant management-level expertise and have experience in one or more of the following disciplines: academia, finance, accounting, electric power industry, engineering, energy development, law, regulation, commercial markets, consumer advocacy, trading and associated risk management, or other relevant expertise. Voting Directors shall be able to represent the broad, diverse interests of the Stakeholder Class to which they have been appointed or elected to represent. The director for Seat M must also meet the independence requirements in 3 AAC 46.070(a), and as amended. Employees of the RRC are not eligible to serve as Voting Directors.²

² Provision is enforceable under the Conduct Compliance Rule (ER12)

2.1.2.7 Removal

The Board may remove for cause, at a meeting called for that purpose, any director or alternate, appointed or elected, before completion of the director's or alternate's term of office pursuant to the following provisions.

1. Directors or alternates may be removed for negligence or misconduct (which include three consecutive, unexcused absences from meetings of the Board); violation of local, state, or federal law; failure to meet the fiduciary obligations of directors; if declared of unsound mind by a final order of court; or if disabled to the extent they can no longer participate as a director. In addition, if the director holding Seat M no longer meets the requirements for independence in 3 AAC 46.070(a) they may be removed.
2. Removal of a director or alternate will be by a vote of a Supermajority.
Exception: Removal of a Seat M director who no longer meets the independence requirements for that seat will be by a simple majority vote of the other Voting Directors.
3. Removal may only take place at a meeting for which notice of the proposed removal has been given in accordance with the Public Meetings Rule (ER6) and Public Notice Rule (ER7). A vote to consider removal of a director or alternate will occur based on submission to the Board Secretary of a petition for such a vote signed by five (5) or more Voting Directors representing at least a majority of Stakeholder Classes. A director removed from the Board, except for a Seat M director removed solely because they no longer met the independence requirement for that seat, is ineligible for reappointment or reelection to the Board.

2.1.2.8 Filling Vacancies

If the position of any director becomes vacant prior to their normal term expiration, the alternate to that director's seat shall assume the director's seat as director. Should the position of any alternate become vacant prior to its normal term expiring, a new alternate shall be appointed or elected as provided in Section 2.1.2.3 – Director Seat Allocation for the remainder of the alternate's term. The group identified to appoint an individual to any director or alternate's seat that has been vacated shall be notified of the vacancy. The Governance Committee shall commence the process for the appointment or election of a replacement. Once a replacement director or alternate has been appointed or elected, the Governance Committee shall provide notice to the Board Secretary to update any relevant RRC documents. If the position of any director or alternate remains vacant for a period of six (6) months, the Board may elect a replacement using the procedures in Section 2.1.2.3– Director Seat Allocation or Section 2.1.2.10 – Election of Independent Director.

2.1.2.9 Resignation

Any director or alternate may resign at any time by giving Written notice to the Board Chair (Chair) or Board Secretary. A resignation is effective immediately unless the notice specifies a later effective date. Once delivered, a notice of resignation is irrevocable unless permitted to be withdrawn by the Board prior to its effective date. The Governance Committee will implement the process of replacing the director or alternate in a timely manner.

When any director or alternate is no longer Affiliated with the Stakeholder Class that they were appointed to represent, they shall immediately offer their resignation to the Board. The Board shall consider the recommendations of the Governance Committee when acting on a resignation.

The Board shall decide, after requesting comment from the entity or group that previously appointed that director or alternate, whether such change in employment would negatively impact the Balance of the Board or be in violation of applicable statutes or regulations. If such change in employment does negatively impact Balance or is in violation of the statutes or regulations, such resignation shall be accepted, and that director or alternate's seat shall be vacant. If the resignation is accepted, the Governance Committee will implement the process for replacing the director or alternate in a timely manner.

If at any time the personal or employment circumstances of the Seat M - Independent Director change such that the Seat M - Independent Director may no longer be independent as required under 3 AAC 46.070(a), they shall immediately offer their resignation.

2.1.2.10 Election of Independent Director

The Seat M - Independent Director and alternate shall be elected at a meeting of the Board to a three (3) year term commencing upon election and continuing until their duly elected successors takes office. The election process shall be as follows:

1. At least ninety (90) calendar days prior to a Board meeting when election of a new director is required, the Governance Committee shall commence the process as defined in the Governance Committee Charter.
2. At least thirty (30) calendar days prior to the Board meeting, the Governance Committee shall determine a slate of no fewer than two (2) and no more than five (5) persons for election as director and alternate. The Board Secretary shall prepare the ballot accordingly and shall deliver the ballot to the Board at least fourteen (14) calendar days prior to the Board meeting.
3. Only those persons nominated to the slate of candidates by the Governance Committee shall be eligible for election to the Board as a director or alternate.
4. Each Voting Director shall be entitled to cast a vote by Written ballot, whether In Person or remotely by email or other reliable electronic means. If no candidate receives a Majority vote, rounds of voting will continue until one candidate obtains a Majority vote. That candidate becomes the Seat M - Independent Director. The Board will then follow the same process with the remaining candidates to elect the Seat M - Independent Director's alternate. The Governance Committee shall be responsible for tallying and reporting the vote.

2.1.3 Director Fees

2.1.3.1 Attendance Fees

Directors and alternates shall not receive any salary for their services as directors, except that, by resolution of the Board, a fee shall be allowed for Voting Directors and for alternate Voting Directors when acting as that seat's director or when specifically approved by the Board, for the following:

1. Preparing for and attending a meeting of the Board or a Board Committee, or when attending an RRC Committee as the qualified representative for that director's Board seat.
2. Representing the RRC in an official capacity as approved by the Board;
3. Receiving training in an official capacity as approved by the Board;
4. Additional time required for travel in connection with any such meeting, training, or representation; and
5. Other participation specifically approved by the Board.

Director meeting fees shall be paid to directors or directly to the director's employer at the director's discretion.

Each year the Governance Committee will make director and alternate fee recommendations for the following calendar year. The Governance Committee shall recommend any change to the fees. The RRC may not provide health insurance or other benefits for directors or alternates other than insurance for actions taken in their official capacity as directors.

2.1.3.2 *Fee Oversight*

Directors' and alternates' reasonable expense reimbursement requests shall be reviewed and approved by the Board Treasurer.

2.1.3.3 *Director Fee Review*

The Board shall direct staff to initiate a director fee study every other year. Such study and decisions regarding director and alternate fees shall comply in all respects with the Internal Revenue Service Rebuttable Presumption guidelines for compensation arrangements. The most recent study shall be used by the Governance Committee in formulating its annual fee recommendation. The Governance Committee recommendation shall be presented to the Board no later than ninety (90) days prior to the Annual Meeting. The Board shall set the fees for the directors at least thirty (30) days prior to the Annual Meeting. When making this decision, the Board shall consider the recommendation of the Governance Committee and any other material relevant to setting fees. If the Governance Committee is unable to approve a fee recommendation, the Board shall make no changes to director fee amounts.

2.1.4 *Code of Conduct*

The RRC shall adopt a Code of Conduct (Ethical Conduct Rule [ER11]), which the Board and its directors will be subject to.

2.1.5 *Authority*

No action by any committee, employee, director, or officer shall be binding upon, or constitute an expression of, the policy of the RRC until it has been authorized, approved, or ratified by the Board.

2.2 Officers of the RRC

Officers of the RRC are elected by the Board except the chief executive officer (CEO), who holds the office of President.

2.2.1 Named Officers

The officers of the RRC shall be as follows:

1. Chair,
2. President (also the CEO),
3. Vice-President (called "Vice-Chair"),
4. Secretary (called "Board Secretary" in these Bylaws),
5. Treasurer, and
6. Additional officers (e.g., additional Vice-Chairs, Assistant Secretaries, and Assistant Treasurers) as may be elected in accordance with the provisions of Section 2.2.2 – Election and Terms.

The powers and duties of officers of the RRC as prescribed in this section or elsewhere in these Bylaws are subject to alteration or suspension by the Board, either in general or in specific instances or for specific purposes, all as set forth in a resolution of the Board effectuating such alteration or suspension. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

2.2.1.1 Chair

The Chair of the Board shall preside at all meetings of the Board; may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC; and shall have such other duties as may be prescribed by the Board. The Chair is a Voting Director of the Board.

2.2.1.2 President

The CEO shall serve as the RRC President. The CEO shall be the principal executive officer of the RRC and shall, in general, supervise and control all of the business and affairs of the RRC; may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC; and, in general, shall perform all duties incident to the office of CEO and such other duties as may be prescribed by the Board. The President is not a director of the Board.

2.2.1.3 Vice-Chair

In the absence of the Chair or in event of their inability or refusal to act, a Vice-Chair (in the event there is more than one Vice-Chair, the Vice-Chairs in the order of their election) shall perform the duties of the Chair and, when so acting, shall have all the powers of and be subject to all the restrictions of the Chair.

The Vice-Chair shall perform such other duties as may be assigned by the Board. The Vice-Chair(s) is a Voting Director of the Board.

2.2.1.4 Board Secretary

In general, the powers and duties of the Board Secretary shall be those ordinarily incidental to the office of secretary of a for-profit corporation and such other powers and duties as may be assigned to the Board Secretary by the Board. The Board Secretary may sign contracts or other instruments that the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, these Bylaws, or statute to some other officer or agent of the RRC, and shall keep or cause to be kept the minutes of the meetings of the Board and Board Committees; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law or RRC rules or policies; be custodian of the corporate records of the RRC; keep a register of the name and address of each director as furnished to the Board Secretary by such director; and, in general, perform all duties incidental to the office of secretary. The Board Secretary is a Voting Director of the Board.

2.2.1.5 Treasurer

In general, the powers and duties of the Treasurer shall be those ordinarily incidental to the office of treasurer of a for-profit corporation and such other powers and duties as may be assigned to the Treasurer by the Board. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the RRC; cause to be received or receive and give receipts for monies due and payable to the RRC; deposit all such monies in the name of the RRC in such banks, trust companies, or other depositories as shall be selected by the Board; and, in general, perform all the duties incidental to the office of treasurer. The Treasurer is a Voting Director of the Board.

2.2.2 Elections and Terms

2.2.2.1 Elections

The officers of the RRC shall be elected annually by the Board at the regular annual meeting of the Board. If the election of officers is not held at such meeting, such election shall be held in a timely manner. New offices may be created and filled at any meeting of the Board.

2.2.2.2 Terms

Each officer shall hold office until their successor has been duly elected.

2.2.2.3 Resignation

Any officer may resign at any time by giving written notice to the Board, or to any officer of the RRC. Any such resignation shall take effect immediately or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not prejudice the rights of the RRC under any contract to which the officer is a party. Once delivered, a notice of resignation is irrevocable unless otherwise permitted to be withdrawn by the Board prior to taking effect.

2.2.2.4 Removal

Any officer elected by the Board may be removed without cause whenever, in the Board's judgment, the best interests of the RRC would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer does not of itself create contract rights.

2.2.2.5 Filling Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board in the same manner as provided for election to the office.

2.2.3 Indemnity

The RRC shall indemnify its officers just as they do directors to the fullest extent required or allowed in Article 7 – Indemnification (AS 10.06.490).

2.3 Board of Directors Meetings

2.3.1 Frequency

The Board shall meet at least quarterly and additionally as determined by the Board. Meetings shall be scheduled and noticed in accordance with the RRC Public Meetings Rule (ER6) and the RRC Public Notice Rule (ER7).

2.3.2 Types of Meetings

Annual, Regular, Ad Hoc, and Special Meetings. Meetings of the Board shall be scheduled and noticed in accordance with the Public Notice Rule (ER7) and Public Meetings Rule (ER6) on file with the RCA. The Annual Meeting shall be the last regular Board meeting of each year. Notice shall also be mailed or emailed to each director's and alternate's address as registered with the Board Secretary. Any director may waive their notice requirement in Writing or by attendance at the meeting.

Emergency Meetings. The Board may schedule and hold emergency meetings as provided in the RRC Public Meetings Rule (ER6).

2.3.3 Remote Attendance

Directors and Board Committee members may participate in and act at any meeting thereof through the use of a conference telephone, Internet, video conference, or similar communications equipment by means of which all persons participating in the meeting can be heard and speak to each other. Participation in a meeting by such means shall constitute attendance and presence In Person at the meeting.

2.3.4 Executive Sessions

Meetings of the Board are public and will be conducted in accordance with the RRC Public Comment Policy (P-05). Executive sessions to discuss privileged or confidential matters may be held during any

Board meeting in accordance with the RRC Public Meetings Rule (ER6). The Board shall minimize executive sessions to the extent possible. A Majority vote of Voting Directors or members, as applicable, is required to enter into executive session, confirming that the executive session is necessary in accordance with the Public Meetings Rule (ER6) to protect confidential information.

2.3.5 Quorum

A simple majority of the total number of Voting Directors shall constitute a quorum for the transaction of business at any meeting of the Board; however, if less than one-third of the total number of Voting Directors are present at a meeting, a majority of the Voting Directors present may adjourn the meeting. Once a quorum is established, the Board may continue to conduct business despite the withdrawal of a director or directors.

2.3.6 Voting

2.3.6.1 *Votes*³

Each Voting Director is entitled to one (1) vote on each matter submitted to a vote of the Board unless otherwise required in these Bylaws. Voting shall be by voice vote, unless any Voting Director attending the meeting at which such vote takes place requests such voting to be by roll call, except for the election of officers, which shall be by secret ballot.

2.3.6.2 *Vote of the Majority*⁴

At a meeting, the affirmative vote of a majority of the total number of Voting Directors (Majority) shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

2.3.6.3 *Vote of the Supermajority*⁵

A Supermajority vote shall be required to:

- a. Amend, repeal, or alter in any way the Articles of Incorporation or Bylaws of the RRC;
- b. Initiate, approve, and file with the RCA standards for nondiscriminatory open access transmission and interconnection, in accordance with applicable law;
- c. Initiate, approve, and file with the RCA standards for transmission system cost recovery, in accordance with applicable law;
- d. Initiate, approve, file with the RCA, and modify reliability standards, in accordance with applicable law;
- e. Enforce reliability standards, in accordance with applicable law;
- f. Approve proposed penalties, in accordance with applicable law;

³ 2.3.6.1 is in Voting Procedures Rule (ER10)

⁴ 2.3.6.2 is in Voting Procedures Rule (ER10)

⁵ 2.3.6.3 is in Voting Procedures Rule (ER10); portions are enforceable under the Conduct Compliance Rule (ER12)

- g. Initiate, approve, and file with the RCA an integrated resource plan or integrated resource plan update in accordance with applicable law;
- h. Hire or terminate the chief executive officer (CEO);
- i. Merge or consolidate or agree to merge or consolidate the RRC with or into any other legal entity, or convert the RRC into any other legal entity or to act in contravention of the requirement of an entity exempt under Internal Revenue Code § 501(c)(3);
- j. Liquidate, dissolve, or reorganize the RRC or adopt any plan to do so;
- k. Sell, lease, exchange, transfer, or otherwise dispose of (1) all or substantially all the tangible, intangible, or other assets of the RRC; or (2) any other asset of the RRC except in the ordinary course of business;
- l. Approve or ratify operating budgets of the RRC;
- m. Amend, repeal, or alter in any way the Technical Advisory Council Structure and Process (PD-03);
- n. Establish or amend policies, procedures, and committee charters;
- o. Approve appointment of Board Committee chairs and members;
- p. Initiate, approve, file with the RCA, and modify RRC tariff filings;
- q. Initiate, approve, file with the RCA, and amend RRC rules; and
- r. Approve submittal of compliance filings ordered by the RCA.
- s. Waive the requirement that at least half of the Technical Advisory Council (TAC) members meet the sufficient independence requirement of the TAC Structure and Process document (PD-03).
- t. Waive the requirement that TAC members and their alternates must live within the service territory of an LSE subject to the authority of the RRC.
- u. Waive the sufficient independence finding requirement under Article 3.1.1 for the CEO.

2.3.6.4 *Deadlock Resolution*

If the Board is unable to reach an affirmative decision when voting on items a, b, c, d, f, l, m, n, and p in Section 2.3.6.3 – Vote of the Supermajority, the Board shall notify the CEO, outlining the elements of disagreement on the matter. Within a period of time specified by the Board commensurate with the urgency of the matter, but no more than one-hundred and twenty (120) days, the CEO shall return a revised recommendation or modified statement in support of the recommendation to the Board for consideration. In the event there is no CEO, the above-referenced matters in which the Board is deadlocked will proceed directly to mediation as described below.

If, after a revised recommendation and motion made and seconded an affirmative decision cannot be reached on voting actions so moved, a third vote shall immediately be taken in which the alternate to the Seat M - Independent Director shall be asked to participate as if they were a Voting Director.

If an affirmative decision on the motion cannot be reached on the third vote, the Board shall either (1) hire an independent mediator within fourteen (14) days in an effort to reach an affirmative decision, or (2) determine by a Majority vote that the urgency of the matter requires that the matter be taken straight to binding arbitration, with no effort to mediate. If mediation is selected:

- A mediator shall be appointed based on the process described in the RRC’s Dispute Resolution Policy (to be developed).
- Within thirty (30) days after appointment of the mediator, if there has not been a resolution or if the mediator determines that the effort to reach agreement has failed, a request for arbitration shall be submitted to the American Arbitration Association (AAA), and the matter shall immediately move to binding “baseball arbitration” (where the arbitrator is limited to choosing whether the motion shall pass or fail).
- The request shall specify an arbitrator from AAA’s “National Energy Panel” and shall request a decision from the arbitrator within thirty (30) days of final submission of data.
- The decision of the arbitrator shall be binding, and the Board shall act in accordance with the decision.

2.3.6.5 Presumption of Assent

A Voting Director who is present at a meeting of the Board at which action is taken shall be presumed conclusively to have assented to the action taken unless their dissent is entered in the minutes of the meeting, the director files their Written dissent to such action with the Board Secretary before adjournment thereof, or the director forwards such dissent by registered or certified mail to the Board Secretary immediately after the adjournment of the meeting. Such right of dissent shall not apply to a director who voted in favor of such action.

2.3.7 Meeting Procedures

Robert’s Rules of Order Newly Revised shall apply to all processes of meetings of the Board and Board Committees to the extent consistent with these Bylaws and RRC rules and policies unless the Board adopts alternative processes.

Waiver of procedures may only occur under exigent or unusual circumstances. The Board by unanimous vote of those Voting Directors present may waive any procedural requirement applicable to Board decision-making. Statutory and regulatory procedures and restrictions on the authority, action, or processes related to actions of the Board may not be waived. Quorum requirements may not be waived. Required meeting notices may only be waived by individual directors.

2.3.8 Adjournment

Any meeting of the Board may be adjourned to reconvene at a specific time and place. If notice of the adjourned meeting was properly given, it shall not be necessary to give any notice of the reconvened meeting or of the business to be transacted, if the date, time, and place of the reconvened meeting were announced at the meeting that was adjourned, posted to the RRC website, and transmitted via other electronic notification system.

2.3.9 Emergency Action

Emergency action may be taken without a meeting of the Board if a consent in Writing setting forth the action so taken shall be signed by all the Voting Directors. Such written consent, including a statement

of the emergency precipitating the action, shall be made public by posting to the RRC website and distributed via other electronic notification systems as soon thereafter as possible. Any consent may be signed in counterparts with the same force and effect as if all Voting Directors had signed the same copy. All signed copies of any such written consent shall be delivered to the Board Secretary to be filed in the corporate records. Any such consent signed by all the Voting Directors shall have the same effect as a unanimous vote and shall be placed on the agenda as “Old Business” at the next regular, ad hoc, or special board meeting.

2.3.10 Responsibilities and Restrictions

2.3.10.1 Duties

Directors shall discharge their duties, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner that the director reasonably believes to be in the best interests of the RRC. In discharging their duties, a director shall be entitled to rely on information, opinions, reports, or statements (including financial statements and other financial data) if prepared or presented by:

1. One or more directors or employees of the RRC whom the director reasonably believes to be reliable and competent in the matters presented; or
2. Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence.

A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted in this section unwarranted. A director is not liable to the RRC or any other person for any action taken or not taken as a director if the director acted in compliance with this section. The liability of an uncompensated director for monetary damages to the RRC shall be eliminated to the fullest extent permitted by the Alaska Nonprofit Corporation Act and these Bylaws.

No director may violate the RRC Ethical Conduct Rule (ER11) or perform any act in violation of the Articles of Incorporation or these Bylaws. Such violations may lead to sanction, suspension, expulsion, or termination after a hearing.

2.3.10.2 Recusal

Should a conflict of interest exist regarding an issue brought to the Board requiring a vote, in accordance with Article 5 – Conflicts of Interest and applicable law, it is the duty of the Voting Director to disclose such conflict of interest to the Board, and to recuse themselves from any involvement with the issue. Should a Voting Director recuse themselves or be recused by action of the Board, the Voting Director's alternate shall be entitled to vote on the issue upon which the Voting Director is recused.

When voting on an alleged violation of a reliability standard or associated penalty, a Voting Director appointed or employed by the entity that is the subject of the alleged violation or the penalty shall be deemed to have a Conflict of Interest and shall recuse themselves.⁶

2.3.10.3 Board Expert Resources

In accordance with applicable RRC policy, the RRC may with a majority vote of the Voting Directors direct the CEO to retain and supervise consultants, experts, accountants, engineers, and similar professional service providers (collectively, “Board Expert Resources” or “BERs”) as necessary to provide directors with sufficient understanding to exercise their duty of care and to ensure the efficient function and operation of the RRC. BERs shall be selected based on technical or professional qualifications and background and not based on representation of any particular viewpoint. All BERs shall serve and be accessible to the entire Board and do not represent any individual director.

2.3.10.4 Qualified Representatives

Directors may designate a qualified representative to serve on RRC Committees. For working groups formed under TAC, the provisions in the Technical Advisory Council Structure and Process (PD-03) apply.

2.4 Board Committees

The Board may designate and appoint one (1) or more Board committees. Each Board Committee shall include three (3) or more Voting Directors. The creation and appointment of any Board Committee and the delegation thereto of authority shall not relieve the Board, or any individual director, of any responsibility imposed by law upon the Board or any director. Persons who are not directors of the RRC may sit on any Board Committee except the Executive Committee.

2.4.1 Committee Composition

The Chair of the Board shall appoint all Board Committee members and chairs, subject to approval by a Supermajority vote. It shall be the function of Board Committees to conduct investigations, studies, and hearings; make recommendations to the Board; and carry out such activities as may be delegated to them by the Board through charter or otherwise.

2.4.2 Vacancies

2.4.2.1 Resignation

Any Board Committee member may resign at any time by giving written notice to the Board Committee chair or to any officer of the RRC. Any such resignation shall take effect immediately or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Three (3) consecutive unexcused absences from regularly called Board Committee meetings shall be deemed a resignation and the Board Committee chair shall so report to

⁶ Provision is in Voting Procedures Rule (ER10)

the Board Chair. Once delivered, a notice of resignation is irrevocable unless otherwise permitted to be withdrawn by the Board prior to taking effect.

2.4.2.2 *Removal*

Any Board Committee member may be removed without cause by the Board whenever, in the Board's judgment, the best interests of the RRC would be served thereby.

2.4.2.3 *Filling Vacancies*

The Board Chair shall appoint and fill any vacant Board Committee seat in the same manner as in the case of the original appointments.

2.4.3 **Committee Rules**

Each Board Committee, by a charter approved by the Board, may develop its own rules and procedures subject to the following rules, which shall apply to all Board Committees.⁷

2.4.3.1 *Public Meetings and Executive Sessions*

Board Committee regular, special, and ad hoc meetings and executive sessions shall be scheduled, noticed, and conducted as provided in sections 2.3.1 – 2.3.4.

2.4.3.2 *Emergency Meetings*

Board Committees may schedule and hold emergency meetings as provided in the RRC Public Meetings and Public Notice rules (ER6 and ER7, respectively).

2.4.3.3 *Quorum and Voting*

A quorum shall be established before conducting business at a meeting, in which a majority of the whole Board Committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board Committee.⁸

2.4.3.4 *Limitations*

Board Committees shall not exercise any authority not specifically delegated by the Board or by these Bylaws.

2.4.3.5 *Terms*

Each member of a Board Committee shall continue as such until their successor is appointed, unless the Board Committee is dissolved sooner, such member resigns or is removed from such Board Committee, or such member shall cease to qualify as a member thereof.

⁷ Provision is in Voting Procedures Rule (ER10)

⁸ Provision is in Voting Procedures Rule (ER10)

2.5 Standing Committees

The Board may establish such Board Committees as it deems necessary to carry out the duties of the RRC, which shall include, but not be limited to, the Executive Committee, the Finance and Audit Committee, and the Governance Committee. The composition, procedures, duties, budget, and tenure of such Board Committees shall be determined by the Board and these bylaws.

Each Board Committee shall develop and have approved by the Board a charter describing in detail its responsibilities.

2.5.1 Executive Committee

The Executive Committee shall act for and on behalf of the Board when the Board is not in session but shall be accountable to the Board for its actions. It shall be composed of the Independent Director (Seat M), Board Chair, Vice-Chair, Treasurer, and Secretary. The Board Chair will serve as chair of the Executive Committee. All completed action by the Executive Committee shall be reported to the Board at the Board's next meeting succeeding such action or at the meeting held in the month following the taking of such action and shall be subject to revision or alteration by the Board, provided that no acts or rights of third parties shall be affected by any revision or alteration. The Executive Committee shall meet where and as provided by Section 2.4.3 –Committee Rules and additional rules as may be established in the Executive Committee Charter.

During the intervals between the meetings of the Board, the Executive Committee shall possess and may exercise all the power and authority of the Board (including, without limitation, all the power and authority of the Board in the management, control, and direction of the financial affairs of the RRC), except with respect to those matters requiring a Supermajority vote of the Board, or matters specifically reserved to the Board. The Executive Committee shall review and approve, in accordance with RRC policy, the CEO's business expenses, and the Board may delegate to the Executive Committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions as described in Section 2.1,5 - Authority.

2.5.2 Finance and Audit Committee

The Finance and Audit Committee's primary duties and responsibility are to work with RRC staff in oversight of the financial, capital, and other assets of the RRC. The Treasurer shall serve as chair of the Finance and Audit Committee, and the committee shall have at least five (5) members, at least three (3) of whom are Voting Directors. No member of the committee may accept any consulting, advisory, or other compensatory fee from the RRC for services other than fees provided for committee attendance, and each member shall be free from any relationship that would interfere with the member's independent judgment.

2.5.2.1 Reporting

The Finance and Audit Committee shall monitor and regularly report to the Board on:

- The RRC's financial health, including the preparation of budgets for Board approval and oversight of the approved budget;

- Planning, acquisition, liquidation, development, maintenance, safety, and protection of all real property and physical assets of the RRC;
- Management of the funds under RRC control;
- Policies, practices, plans, and reports for compliance with legal and regulatory requirements;
- Financial policies, practices, plans, and reports;
- Planning and maintenance of information systems; and
- Major acquisitions, liquidation of equipment, goods and services, and rental or leasing of equipment or facilities.

2.5.2.2 Audit Responsibilities

The Finance and Audit Committee shall, while working with the RRC's independent auditor as appropriate, do the following:

- Review the adequacy and reliability of the RRC's internal controls and financial reporting;
- Recommend policies regarding selecting and monitoring the RRC's independent auditor;
- Review the independence and performance of the RRC's independent auditor;
- Ensure the preparation and submission of any required state or federal annual financial filings or reports;
- Review and recommend audit policies, practices, plans, and reports;
- Meet at least once each year with the RRC's independent auditor to review the audit report and management letter, and to receive the auditor's comments on accounting, bookkeeping, and related practices and procedures of the RRC; and
- Report to the Board and recommend appropriate actions at regular Board meetings.

2.5.3 Governance Committee

The Governance Committee shall work to ensure the integrity and Balance of the Board and enhance Board performance pursuant to the Governance Committee Charter. The committee shall have at least five (5) members, at least three (3) of whom are Voting Directors, including the immediate past chair of the Committee, plus the chair of the RRC Board who serves as a nonvoting, ex-officio member of the committee. The Governance Committee is responsible for assisting the Board with the duties described in the Governance Committee Charter as established by the Board.

2.5.4 Ad Hoc Committees

The Board may establish ad hoc Board Committees to serve special purposes or perform special functions. Upon creation of an ad hoc Board Committee, the Board Chair shall issue a charge to the committee requiring the development of a charter describing the committee's duties and responsibilities, which shall be approved by the Board.

2.6 Delegation of Authority

Subject to the ultimate authority of the Board, the CEO is delegated the authority necessary and appropriate for the efficient administration of the RRC and its programs, including the establishment of policies and procedures for the programs and operations of the RRC, except where the Board has reserved specific authority. The discretionary powers of the CEO shall be sufficiently broad to enable the CEO to discharge these responsibilities.

Unless otherwise restricted by specific Board policies or directives or RRC rules on file with the RCA, the CEO may delegate general executive management and administrative authority to other executive officers and employees as necessary and prudent, including authority to execute contracts and other legal documents. The CEO may condition, limit, or revoke any authority so delegated. All delegations and revocations of authority shall be in Writing; name the position to whom such authority is delegated; describe the scope and limitations of such authority; and prescribe the extent to which such authority may be further subdelegated. Notwithstanding any delegation, the CEO remains responsible for the proper functioning of the RRC.

The Board shall not delegate to any Board Committee the authority to take any action that would require a Supermajority vote of the Board.

ARTICLE 3 CORPORATE STRUCTURE

3.1 Staff

3.1.1 Chief Executive Officer

The Governance Committee shall manage, in coordination with the Board Chair, the posting, interviewing, and hiring of the CEO. The Board, by a Supermajority vote, must affirm the employment of the CEO.

The Board shall hire a CEO upon such terms and conditions and at such compensation as the Board deems proper, after recommendation by the Governance Committee. In its hiring decision, the Board shall find that the candidate is sufficiently independent of entities that generate, transmit, or distribute electricity on the Railbelt transmission or distribution system, excluding entities with proposed or existing projects under 100 kW installed capacity. Sufficient independence is presumed if:

1. The candidate has not been a director or officer of, or been employed by such entities for at least five years, and
2. The candidate has not materially represented or assisted for compensation such entities for at least two years.

The sufficient independence finding requirement may be waived by a Supermajority vote of the Board.

The CEO, upon hire, will serve at the pleasure of the Board and will be responsible for the conduct of the business of the RRC within its prescribed policies. The CEO shall:

- Act as the RRC President and be responsible for hiring, assigning, supervising, and terminating employees of the RRC pursuant to RRC policies. The CEO, under the Board's supervision and direction, shall carry on the general affairs of the RRC.
- Be a member of the staff of the RRC and attend all meetings of the Board.
- Approve the expenditure of the monies appropriated by the Board in accordance with the budget approved by the Board.
- Ensure the Technical Advisory Council is established in accordance with Board directions.
- Ensure necessary RRC Committees are formed.
- Keep current with Alaska law as it relates to RRC operations and make recommendations for policies, procedures, and rules to ensure RRC compliance with applicable laws.
- Make annual and periodic reports to the Board concerning the activities of the RRC.
- Perform such other duties as may be determined necessary by the Board.

The CEO shall comply with all orders of the Board. All agents and employees of the RRC shall report and be responsible to the CEO.

3.1.2 Technical Advisory Council

The Technical Advisory Council (TAC) is a panel of senior Engineering Division employees with technical expertise, that is supervised by the CEO. The TAC will operate under provisions approved by the Board.

Directors may not serve on a TAC working group, with the exception that a director uniquely qualified to support the working group may be approved for participation in the working group with a vote of eight (8) directors. A director approved to serve on the working group will do so as the qualified representative for that director's seat.

Each Voting Director will be allocated an annual budget to pay a fee to their qualified representative for attending meetings of TAC working groups. Only one (1) meeting fee per meeting shall be paid for each Board Seat. All qualified representatives attending a meeting must be paid the meeting fee, which will be deducted from the director's budget. Meeting fees paid to a qualified representative shall be paid to the qualified representative directly or to their employer, at the director's discretion. The qualified representative meeting fees shall be paid from the director's allocation.

Any director may attend a meeting of a TAC working group as a member of the public.

3.2 Nonvoting Public Members

The RRC shall not preclude an interested member of the public from serving in a nonvoting capacity on an advisory committee, should an advisory committee be approved by the RRC. Such service may be subject to qualifications and confidentiality requirements established by the RRC

ARTICLE 4 COST AND FINANCES

4.1 Operating Budget

Each fiscal year, the RRC will prepare an annual budget of expenditures for that fiscal year and an estimated budget for the subsequent two (2) fiscal years.

4.2 Audit

The Board shall, through the Finance and Audit Committee, engage an independent certified public accounting firm to perform an annual audit of the RRC's financial records and prepare a report on the financial condition of the RRC. The Finance and Audit Committee shall present the summary management letter and audit report to the Board upon completion.

4.3 Books and Records

4.3.1 Public Access

In accordance with the Documents Retention and Access Rule (ER3) and other applicable RRC rules, the RRC shall keep correct and complete books and records and shall keep minutes of the proceedings of its Board, as well as any Board Committees and RRC Committees. Access to books and records shall be determined in accordance with the RRC rules on file with the RCA.

4.3.2 Director's Access

Subject to these Bylaws and RRC policies, directors or their agents or attorneys are entitled to inspect and copy the books, records, and documents of the RRC at any reasonable time to the extent reasonably related to a director's performance of their duties, including any duties as a member of a Board committee, but not for any other purpose or in any manner that would violate any duty to the RRC or any privacy laws.

4.3.3 Annual or Fiscal Accounting

For accounting and related purposes, the fiscal year of the RRC shall begin on the first day of January and end on the last day of December in each year.

4.3.4 Records

The RRC is dedicated to transparency; however, in limited circumstances, certain records may require confidential treatment in accordance with Confidential Documents and Access Rule (ER4) and applicable law.

4.4 Contracts, Checks, and Deposits

4.4.1 Contracts

The Board may authorize any officer(s) and agent(s) of the RRC, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on

behalf of the RRC, and such authority may be general or confined to specific instances. Unless so authorized by the Board, by resolution or in accordance with the delegation provided in Section 2.1.5 – Authority, no officer, agent, or employee shall have any power or authority to bind the RRC by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

4.4.2 Checks

All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the RRC must be signed by such officer(s) or agent(s) of the RRC and in such manner as shall be determined by the Board in compliance with financial policies of the RRC.

4.4.3 Deposits

All funds of the RRC shall be deposited to the credit of the RRC in such banks, trust companies, or other depositories as the Board may determine.

4.5 Corporate Loans, Guarantees, and Advances

This RRC shall not make any advances or make any loan of money or property to, or guarantee the obligation of, any director or officer.

4.6 Political and Lobbying Activities

This RRC shall not make any political expenditures. The RRC shall make no lobbying expenditure that could adversely affect its status as a tax-exempt organization under the Internal Revenue Code.

ARTICLE 5 CONFLICTS OF INTEREST

5.1 Purpose

The conflict-of-interest provision is intended to protect the RRC when it is contemplating entering into a transaction or arrangement that might benefit the personal interest of an officer or director of the RRC or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace the Ethical Conduct Rule (ER11) and applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

5.2 Interested Person

Any director or officer who has a direct or indirect financial interest or receives any remuneration from the RRC is an interested person and is considered to have a personal interest.

5.2.1 Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family an ownership or investment interest in excess of five (5) percent in any entity with which the RRC has a transaction or arrangement that could impact the interested person, or a potential ownership or investment interest in excess of five (5) percent in, or remuneration arrangement with, any entity or

individual potentially influenced or impacted by the RRC's exercise of its duties. Remuneration includes direct, indirect, or potential remuneration, as well as gifts or favors that are not insubstantial.

5.2.2 Director Participation

Notwithstanding any other provision of these Bylaws, a director shall not be precluded from voting on or participating in any discussion on a matter solely on the basis that the director has a financial interest in a user, owner, or operator of the Railbelt interconnected electric energy transmission network and the matter relates solely to the use, ownership, or operation of the interconnected electric energy transmission network.

5.2.3 Remuneration

A Voting Director who receives remuneration, directly or indirectly, from the RRC for services other than serving as a director is precluded from voting on matters pertaining to that director's remuneration (they are not prohibited from providing information to any committee regarding remuneration).

5.3 Procedures

The Board, its Voting Directors, and its officers will abide by the following procedures.

5.3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, any interested person (or their agent) must disclose the existence of more than a *de minimis* financial interest and be given the opportunity to disclose all material facts to the Board or Board Committee on which the interested person serves

5.3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, such person shall leave the Board or Board Committee meeting while the matter is discussed. The remaining Board or Board Committee members shall vote on whether a material conflict of interest exists.

5.3.3 Addressing Material Conflicts in Decision Making

Should the conflicted Voting Director agree that a material conflict exists, the alternate for that director shall participate for all purposes with regard to the issue, rather than the director. Should the director disagree that a material conflict exists, but the Board or Board Committee by majority vote of disinterested Voting Directors determine that a material conflict does or may exist, the Board or Board Committee may by that same majority appoint the alternate to participate for all purposes with regard to the issue, rather than the conflicted director. Should the alternate also be conflicted, then neither the conflicted director nor alternate may vote on the issue and the alternate for the Independent Director will vote for that director. If a conflict also exists for the alternate for the Seat M - Independent Director on the issue, then the vote shall proceed with the conflicted seat abstaining from the vote.

5.4 Failure to Disclose

If the Board or Board Committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest the Board shall take appropriate action.

5.5 Annual Representation Letter

Each Voting Director, officer, and Board Committee member shall annually sign a statement that affirms such person has received, read, understood, and agrees to comply with these Conflicts of Interest provisions.

ARTICLE 6 DISPUTE RESOLUTION

6.1 External Dispute Resolution and Appeal

The Board shall adopt an External Dispute Resolution and Appeal Policy to cover disputes and appeals arising from the action or inaction of the RRC. Such policy shall provide due process for the appellants, integrity of the fact-finding process, fairness for appellants, an independent hearing process, balanced decision making, impartiality, and timely and decisive resolution.

6.2 Internal Dispute Resolution

Internal disputes shall be resolved in accordance with the Section 2.3.6.4 – Deadlock Resolution.

ARTICLE 7 INDEMNIFICATION (AS 10.06.490)

7.1 Nonderivative Actions

Subject to the provisions of sections 7.2, 7.4, and 7.5 below, the RRC shall defend, indemnify, and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, (other than an action by or in the right of the RRC) by reason of or arising from the fact that the person is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise, against costs and expenses (including attorney's fees) of said suit, action, or proceeding, judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with the action, suit, or proceeding if:

1. The person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the RRC and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe the conduct was unlawful; or
2. The person's act or omission giving rise to such action, suit, or proceeding is ratified, adopted, or confirmed by the RRC or the benefit thereof received by the RRC.

The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* (no contest) or its equivalent, shall not of itself create a presumption, and settlement shall not constitute any evidence that the person did not act in good faith and in a manner

that the person reasonably believed to be in or not opposed to the best interests of the RRC and, with respect to a criminal action or proceeding, did not know and had no reasonable cause to believe that the conduct was unlawful.

Subject to the provisions of sections 7.2, 7.4, and 7.5 the RRC shall defend, indemnify, and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the RRC to procure a judgment in its favor by reason of or arising from the fact that the person is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise against costs and expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if:

1. The person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the RRC; or
2. The person's act or omission giving rise to such action or suit is ratified, adopted, or confirmed by the RRC or the benefit thereof received by the RRC.

No indemnification shall be made in respect of any claim, issue, or matter as to which such person as a director shall have been adjudged to be liable for (1) a breach of a director's duty of loyalty to the RRC; (2) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or (3) a transaction from which a director derives an improper personal benefit, unless, and only to the extent that, the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for the expenses which the court considers proper.

7.2 Denial of Right to Indemnification

Subject to the provisions of sections 7.4 and 7.5, defense and indemnification under Section 7.1 of this Article automatically shall be provided by the RRC unless it is expressly determined that defense or indemnification of the person is not proper under the circumstances because the person has not met the applicable standard of conduct set forth in Section 7.1 of this Article. In the case of any challenge to the propriety of a defense or indemnification under this Article, defense and indemnification payments may be made, subject to repayment upon ultimate determination that indemnification is not proper.

7.3 Determination

The determination described in Section 7.2 – Denial of Right to Indemnification shall be made:

1. By the Board by a majority vote of a quorum consisting of Voting Directors who were not parties to the action or proceeding; or
2. If a majority vote of a quorum of disinterested Voting Directors so directs, by independent legal counsel in a written opinion.

7.4 Successful Defense

Notwithstanding any other provisions of sections 7.1, 7.2, or 7.3, of this Article, but subject to the provisions of Section 7.5 below, if a person is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1 of this Article, or in defense of any claim, issue, or matter therein, the person shall be indemnified against costs and expenses (including attorney's fees) actually and reasonably incurred in connection therewith.

7.5 Condition Precedent to Indemnification

Any person who desires to receive defense and indemnification under this Article shall notify the RRC reasonably promptly (1) that the person has been named a defendant to an action, suit, or proceeding of a type referred to in Section 7.1 and (2) that the person intends to rely upon the right of defense and indemnification described in this Article. The notice shall be in writing and mailed via registered or certified mail, return receipt requested, to the President of the RRC, or if the notice is from the President to the Board Secretary of the RRC, at the executive offices of the RRC. Notice need not be given when the RRC is otherwise notified by being named a party to the action.

7.6 Insurance

At the discretion of the Board, the RRC may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the RRC, or is or was serving at the request of the RRC as a director, officer, employee, agent, partner, or director of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against or incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the RRC would have the power to defend and indemnify the person against such liability under the provisions of this Article.

7.7 Former Officers, Directors, Employees, and Agents

The indemnification provisions of this Article shall be extended to a person who has ceased to be a director, officer, employee, or agent of the RRC as described above and shall inure to the benefit of the heirs, personal representatives, executors, and administrators of such person.

7.8 Purpose and Exclusivity

The defense and indemnification referred in the various sections of this Article shall be deemed to be in addition to and not in lieu of any other rights to which those defended and indemnified may be entitled under any statute, rule of law or equity, agreement, vote of the Board, or otherwise. The purpose of this Article is to augment, pursuant to AS 10.06.490(f), the provisions of AS 10.20.011(14), AS 10.20.051(b), and the other provisions of AS 10.06.490.

7.9 Limitation of Liability

As set forth in the Articles of Incorporation, no Voting Director of this corporation shall have any personal liability to the RRC for monetary damages for the breach of fiduciary duty as a director except as provided in AS 10.20.151(d) and (e).

7.10 Director Reliance

In acting for the RRC, unless the director has knowledge concerning the matter in question that makes reliance unwarranted, directors may rely upon information, opinions, reports, or statements (including financial statements) and data prepared by

1. Officers, employees, and agents of the RRC whom the director believes to be reliable and competent in the matters presented;
2. Counsel, public accountants, or other persons as to matters that the director reasonably believes to be within the person's professional or expert competence; and
3. Committees of the Board as to matters within the authority of the committee that the director believes to merit confidence.

ARTICLE 8 BYLAW AND POLICY AMENDMENTS

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a Supermajority vote at any regular, ad hoc, or special meeting, if at least thirty (30) days' written notice is given of the intention to alter, amend, or repeal or to adopt new Bylaws at such meeting.

No later than three (3) years after RCA certification of the RRC as an electric reliability organization, and at least every three (3) years thereafter, the Governance Committee shall conduct a review of the Bylaws, governance policies, and rules on file with the RCA to identify areas that they believe can be improved or need be supplemented, including in order to ensure the requirements of regulations in 3 AAC 46.060(b)(4), and as amended, continue to be satisfied as relevant stakeholder classifications and interests change, and bring recommendations to the Board for consideration. This will include a review of independence of the TAC and any potential undue influence or lack of influence of directors serving on TAC working groups. Prior to each Bylaw review, the CEO will commission a consultant to conduct an independent review of Board Balance and stakeholder representation. The results of the review will be provided to the Board, the RCA, and the public.

Bylaw Articles 2.1.1, 2.1.2, 2.3.6, 2.3.10, and 8 shall not be amended prior to the RRC's first six-year certificate renewal under 3 AAC 46.050(b) unless first approved by the RCA.

Amended Bylaws or policies take effect as soon as they are approved by the Board. Amended rules take effect once approved by the RCA.

ARTICLE 9 MISCELLANEOUS

9.1 No Seal

The RRC shall have no seal.

9.2 Shares of Stock

The RRC may not have or issue shares of stock or pay dividends.

9.3 Loans

No loans shall be contracted on behalf of the RRC and no evidence of indebtedness shall be issued in its name without the prior consent of the Board. The RRC may not make loans to its officers or directors.

9.4 Severability

A determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective will not affect or invalidate any other provision of these Bylaws.

9.5 Governing Law

All provisions of these Bylaws are subject only to the laws of the State of Alaska.

9.6 Antidiscrimination

Participation in any activity, employment, testimony before, contracts with, and holding office or appointment to a committee of the RRC, shall not be denied or abridged to any individual on account of race, color, religion, gender, age, national origin, disability, sexual orientation, or gender identity.

9.7 Agents and Representatives

The Board may appoint such agents and representatives of the RRC with such powers and to perform such acts or duties on behalf of the RRC as the Board may see fit, so far as may be consistent with these Bylaws, to the extent authorized or permitted by law.

9.8 Waiver of Notice

Whenever any notice is required to be given under the provisions of the Alaska Nonprofit Corporation Act or the Articles of Incorporation or Bylaws of the RRC, a waiver thereof in Writing signed by all Board or Board Committee members, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 10 DISSOLUTION

The dissolution of the RRC shall only be accomplished as prescribed in the Articles of Incorporation, consistent with applicable law.

ARTICLE 11 EFFECTIVE DATE

These Bylaws become effective upon adoption by the Board at the organizational meeting of the RRC.

ARTICLE 12 DEFINITIONS

Act

The Alaska Nonprofit Corporation Act referenced in AS 10.20.005-10.20.725.

Affiliated

An affiliated entity is an organization that directly or indirectly controls another entity or project; is directly or indirectly controlled by another entity or entities; or is under common control alongside another entity. Thus, an affiliated entity could be a parent company or a subsidiary company.

Balance or Balanced

Governance by a Board that meets the requirements of 3 AAC 46.060(b) or as those terms are subsequently defined in the Alaska Administrative Code.

Board

The Board of Directors of the RRC, composed of the directors appointed or elected in accordance with the terms of these Bylaws.

Board Committee

A committee of the RRC Board as provided for in Section 2.4 – Board Committees.

Code of Conduct

That document (Ethical Conduct Rule [ER11]) approved by the Board of Directors that establishes the framework for ethical behavior and serves to guide the actions of RRC representatives in line with the RRC's values.

In Person

Physically present or present through electronic means where each party attending can hear and speak to each other.

Independent Power Producer

An entity, other than an LSE or its affiliate or the State of Alaska, that owns facilities to generate, store, or regulate electric power for sale to utilities or other end users.

Internal Revenue Service Rebuttable Presumption

Application of those Internal Revenue Service requirements for establishing the fairness of a compensation arrangement that will preclude the Internal Revenue Service from an initial finding of application of Intermediate Sanctions under the Internal Revenue Code.

Load-serving Entity (LSE)

An electric utility that has a service obligation to distribute power to more than ten (10) customers that receive invoices directly from the entity.

Majority

The number of Voting Director votes necessary to take affirmative action on an issue as defined in Section 2.3.6.2 of these Bylaws.

RRC Committee

A committee of the RRC other than a Board Committee.

Stakeholder Class

Stakeholder interests classified by provider or consumer and further subclassified, as listed in Table 1 in Section 2.1.2.2.

Supermajority

The affirmative vote of nine (9) or more Voting Directors representing a majority of Stakeholder Classes, necessary to take affirmative action on issues so identified in these Bylaws.

Technical Advisory Committee Council (TAC)

A panel of RRC staff technical experts that make recommendations to the Board pursuant to Section 3.1.2 of these Bylaws.

Voting Director(s)

Those persons who occupy Director seats A through M. If resolution of a deadlock is required pursuant to Section 2.3.6.4, then the alternate to the Seat M - Independent Director shall also be considered a Voting Director.

Written and Writing

Any document or file, paper or electronic, that can be attested to by physical or electronic signature. For an avoidance of doubt, an electronic communication forwarded by email from a person's email account shall be considered a Written response or Writing provided from the person whose email account the communication emanated.