Memorandum

To: WEM Governing Body

From: Roger E. Collanton, Vice President, General Counsel and Corporate Secretary

Date: November 16, 2026

Re: **Decision on WEM Governing Body Memberships**

This memorandum requires WEM Governing Body action.

EXECUTIVE SUMMARY

There are currently two mid-term vacancies on the WEM Governing Body, due to the recent departure of two members to serve on the Regional Organization for Western Energy ("ROWE") Board of Directors. This memorandum sets forth a proposed course of action for addressing those vacancies, based on preliminary input Management has received from the WEM Governing Body, the Nominating Committee for the WEM Governing Body, and the ISO Board of Governors. The memo also lays out the steps each body would take to effectuate the contemplated outcome.

Under the Charter for WEIM and EDAM Governance ("Charter"), the treatment of mid-term vacancies depends on the amount of time remaining in the term. For vacancies where the remaining term is 18 months or more, the Charter requires the WEM Governing Body to appoint a replacement member. For vacancies with less than 18 months remaining, the Charter vests the WEM Governing body with discretion to decide whether to make a mid-term appointment to fill the vacancy. In this case, one of the vacant seats has more than 18 months remaining, while the other has only approximately seven months remaining.

Based on input received from the WEM Nominating Committee, Management understands that the WEM Governing Body is not inclined to seek a replacement for the latter seat, in part due to the short period of time left in that term. Another concern is that the pool of candidates for such a vacancy is likely to be very constrained since the WEM Governing Body is expected to disband once the ROWE Board of Directors takes on its governance role, which may occur as early as January 2028.

For the seat with more than 18 months remaining, Management understands the Nominating Committee will recommend the Governing Body appoint an experienced former WEM Governing Body member – John Prescott – to fill the position. This would have the

benefit of ensuring continuity and a smooth transition for the period when the WEM Governing Body remains in operation. Mr. Prescott, moreover, has expressed a willingness to rejoin the WEM Governing Body for this transitional period.

Effectuating this outcome would require a waiver of two provisions in the Charter, which will require the approval of the Board of Governors after receiving advisory input from the WEM Governing Body. The first provision is Section 1.3, which limits Governing Body members to a maximum of three terms. Mr. Prescott has already served three terms, so his appointment would require a one-time waiver of the term limit provision.

The second provision is Section 1.4, which requires the WEM Governing Body to follow the candidate nomination and vetting processes set forth in the Selection Policy for the WEM Governing Body ("Selection Policy") to identify a potential replacement member. These processes involve a substantial investment of time and resources by the Nominating Committee comprised of volunteer stakeholders, as well as the use of a professional search firm to develop a group of candidates for consideration. Because the WEM Governing Body would benefit greatly from having an experienced replacement as soon as possible, Management recommends that these provisions should be waived on a one-time basis.

To effectuate this outcome, Management proposes that the WEM Governing Body formally decide not to fill the shorter vacancy and provide advisory input to the Board of Governors supporting the waiver of the referenced Charter provisions. This input would then be considered by the Board at its next general session meeting and, assuming approval, will enable the Governing Body to appoint Mr. Prescott at its ensuing general session meeting.

Management thus proposes the following motions:

Moved, that the Governing Body exercises its discretion to refrain from filling the vacant Governing Body seat set to expire on June 30, 2027;

and,

Moved, that the WEM Governing Body recommends, under its advisory authority over the Charter for WEIM and EDAM Governance, that the Board of Governors approve a one-time waiver of the requirements in Sections 1.3 and 1.4 of the Charter, thereby enabling the Governing Body to appoint John Prescott to the WEM Governing Body for the remainder of the term ending June 30, 2028.

DISCUSSION AND ANALYSIS

Proposal for Addressing the Shorter-Term Vacancy

If a vacancy on the WEM Governing Body has less than 18 months remaining, Charter Section 1.3 gives the Governing Body the option of either requesting an immediate replacement or waiting to fill the seat until the term expires. This decision is left to the

Governing Body in “its sole discretion,” and is intended to enable the Governing Body to use its best judgment under the circumstances in deciding when to fill unexpected mid-term vacancies.

One of the two Governing Body terms recently vacated is set to expire in June 2027 and thus has only approximately seven months remaining. Management is informed that the Governing Body has considered whether to fill that seat and has preliminarily concluded that it should not do so at this time. Various factors support this outcome, including the time it would take to conduct a search for a replacement, which normally requires several months. In addition, the Governing Body is scheduled to disband when the ROWE assumes the governance of the western markets as early as January 2028, which would be just six months after this short term would once again expire. This timing would make it very difficult to develop a pool of well-qualified candidates for the position. As such, Management recommends that the Governing Body decide not to fill the seat that is expiring in June 2027.

If the Governing Body takes this course of action, the process for filling this seat will be deferred until early 2027. At that time, Management will consult with the Board and the Governing Body regarding how best to proceed with regards to this vacancy. Assuming that the timing for disbanding the WEM Governing Body remains as currently contemplated, the Board and Governing Body may conclude at that time that the seat should continue to remain vacant. If so, that would require further action by both bodies at that time, as well as consultation with the Nominating Committee.

Proposal for Addressing the Longer-Term Vacancy

While the Governing Body is required by the Charter to fill the seat set to expire in June 2028, Management understands that both the Nominating Committee and the Governing Body would prefer to dispense with the formal search process and appoint a former experienced member - John Prescott - to fill the seat. This appointment would allow the Nominating Committee and stakeholders to avoid a lengthy and likely challenging search process for a temporary position, while ensuring that the Governing Body can instead quickly add an experienced and capable member.

To accomplish this appointment, the ISO Board of Governors would need to grant a one-time waiver of two Charter requirements. The first requirement is in Section 1.3, which provides that no Governing Body member may serve a maximum of three full terms. Mr. Prescott was termed out of the Governing Body in June 2025 after serving three full terms.

The term limit provision was included in the Charter in order to ensure the Governing Body membership changes periodically. That objective is less relevant now, as the Governing Body has only a relatively short period remaining before it is expected to disband. Notably, Mr. Prescott is only one year removed from his Governing Body service and has indicated his willingness to serve out the remainder of this term if appointed. Accordingly, Management recommends that the Governing Body exercise its

advisory authority under Section 9.1 of the Charter to request a one-time waiver of the term limit provision to facilitate the appointment of Mr. Prescott. This will allow him to serve on the Governing Body one additional time without permanently changing the criteria for service on the Governing Body should it continue operation beyond 2028. If this request is made, the Board of Governors will be asked to make this decision in its next general session meeting in December.

The other Charter section relevant to this proposal is section 1.4, which requires that a replacement member be selected pursuant to the Selection Policy for the WEM Governing Body. As noted, the process set forth in the Selection Policy contemplates hiring a professional search firm to develop a potential list of candidates, followed by extensive process undertaken by the Nominating Committee to interview candidates and nominate a candidate for appointment.

To accomplish the appointment of Mr. Prescott without the need to conduct a formal search, the Board would thus need to grant a one-time waiver of section 1.4 of the Charter. Doing so will enable the Governing Body to immediately complement its current membership with an experienced, highly regarded former member who will be able to step in and immediately provide valuable input on important market governance decisions. This approach would also avoid the expense of hiring a professional search firm, as well as the very substantial time and resources that the Nominating Committee and its stakeholder sectors would otherwise be required to expend evaluating candidates for what is expected to be only a short-term position.

Consultation with the Nominating Committee

The Nominating Committee for the WEM Governing Body convened to consider how to address these vacancies and were advised of the possible options. The Committee's representatives decided to interview Mr. Prescott to evaluate his candidacy and conducted outreach to their respective stakeholder sectors about this proposal.

The Committee has reported back that it concurs with the Governing Body's proposal to obtain a waiver of the Charter requirements in order to allow the immediate appointment of Mr. Prescott to the seat expiring in June 2028. The Committee indicated that it understands the unique opportunity to have the Governing Body appoint Mr. Prescott and believes that promptly adding an experienced fourth member will help the Governing Body successfully perform its ongoing governance responsibilities. The Committee further expressed support for the Governing Body's decision not to fill the seat with only seven months remaining.

CONCLUSION

Management proposes that the WEM Governing Body exercise its discretion to refrain from filling the seat set to expire in June 2027 and that it advise the ISO Board of Governors to approve a one-time waiver of the term-limit and search requirements in

the Charter, thus enabling the appointment of Mr. Prescott to fulfill the term expiring in June 2028. If the WEM Governing Body takes these actions, the Board will be asked to decide, at its next general session meeting in December, whether to approve the waiver. If approved by the Board, the Governing Body will then be able to appoint Mr. Prescott at its ensuing general session meeting.