

The Human Resources and Governance (HR&G) Committee is expected to consider HR&G Committee Agenda Item 6:

Recommendation regarding Board Compensation

at its meeting on June 20, 2023.

The Board of Directors is expected to hear the HR&G Committee’s recommendation on this matter as part of the HR&G Committee Report at the Board meeting on June 20, 2023.

Attached are the Board and Committee materials in relation to these agenda items.



Item 6: Recommendation regarding Board Compensation

Peggy Heeg
Committee Chair

Meridian Compensation Partners

Human Resources and Governance Committee
Meeting

ERCOT Public
June 20, 2023



ERCOT ■ *June 2023*

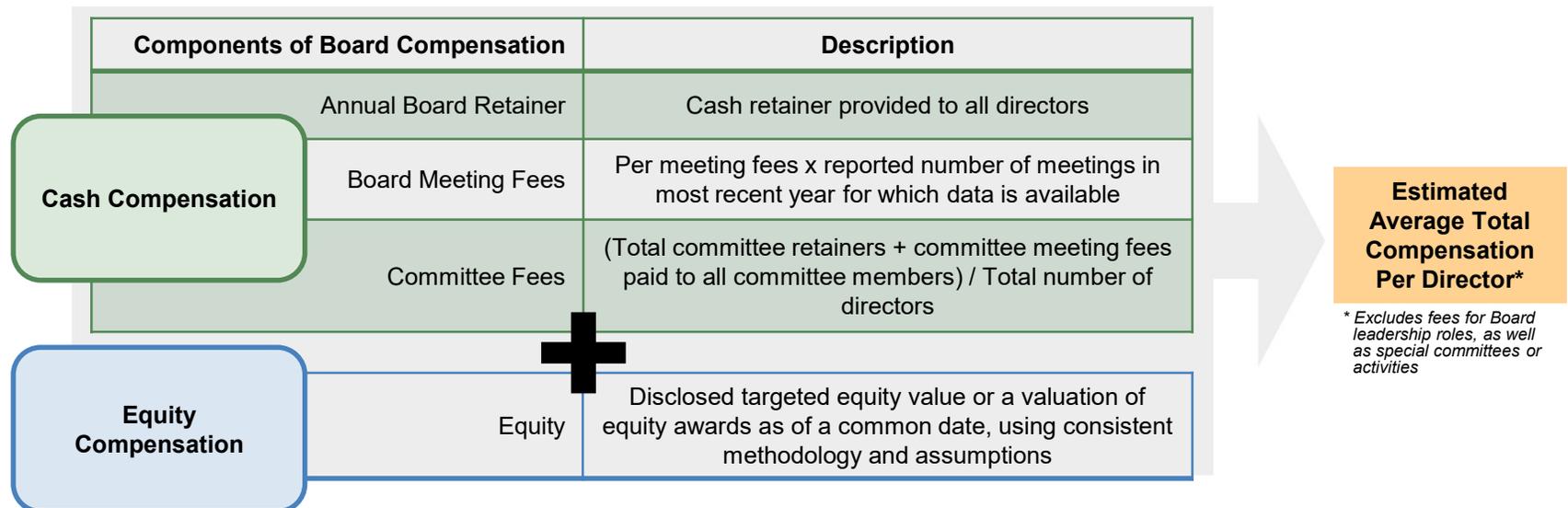
Competitive Market Review of Board Compensation



About This Material

Meridian used a common and credible approach to assess competitiveness of compensation for the ERCOT Board of Directors. Key features of our methodology include:

- Use of multiple data sources and market perspectives, including other ISOs, comparably-sized General Industry companies, Market Participants, and public companies with which ERCOT’s directors are affiliated (Affiliated Companies)
- Analysis based on comparisons of the total annual compensation for an “average profile” director



- We also gathered information regarding fees for Board leadership roles

Application of Benchmarking Data to Compensation Decisions

Benchmarking analysis is intended to establish a competitive range of market practices, rather than determine a specific value for the ERCOT outside director pay program. Determination of an appropriate structure and value of the program should consider several factors, including:

High Volume and Complexity of Work

- ERCOT is undergoing fundamental market design changes to deal with rapid change on the grid that will require substantial discussion and action by the ERCOT Board
- There is a large volume of new, complex work resulting from legislative changes to adapt to the changing resource mix and a higher number of large loads and growing load in Texas
- These factors result in a relatively high demand on ERCOT Board members' time

Recruitment Considerations

- Reasonableness: Compensation made to directors of the organization must be sufficiently competitive to attract required director talent and credible to external constituents
- Limited candidate pool: The pool of qualified candidates for the ERCOT Board is small due to Texas residency and experience restrictions and limits on certain types of candidates.
- Directors' Reputational Risk: ERCOT is a high reliability organization and service on the ERCOT Board presents a greater reputational risk compared with other corporate boards
- ERCOT Board members forego other opportunities: ERCOT Board members are restricted from having a fiduciary duty or assets in the ERCOT electric market, which limits their ability to accept other board positions or opportunities

External optics and standards

- Perceptions of regulators, customers, media, etc.

Summary Market Observations

Company Size

- ERCOT's revenue size is positioned at the 75th percentile among the ISO peers and between the 25th and 50th percentiles of the General Industry comparator group; Market Participant and Affiliated Company comparators are generally much larger

Pay Level

- Current average annual compensation for ERCOT's directors falls below the 25th percentile values of both the ISO peers and the General Industry comparator group, and well below the Market Participant and Affiliated Company comparator groups
- Current Total Board Cost (including Board leadership roles) is similarly positioned relative to the ISO peers and other market references
- ERCOT last made changes to director compensation in 2011

Program Structure

- Like the other ISOs, ERCOT's program is composed entirely of cash, and the straightforward combination of retainers (Board and committee chair) is aligned with broader market trends
 - In our experience, ERCOT differs from other ISO comparators in not providing meeting fees (Board or committee meetings)
 - Most public company comparators provide cash and equity, and only a minority provide meeting fees

Considerations

- Given the current program's competitive positioning relative to the market comparator groups (the ISO peers and General Industry, in particular), active director recruiting efforts, and other relevant factors, the ERCOT Board may consider increasing the level of annual compensation
 - The following page provides ranges for consideration
- ERCOT should continue to monitor the overall structure and competitiveness of the program relative to appropriate market references and emerging trends
 - We suggest that ERCOT conduct competitive reviews versus market references every two years and consider changes, as warranted

Considered Program Changes

Based on the results of the competitive benchmarking analysis, Meridian developed a range of potential program changes for consideration by the HR&G Committee and the full Board of Directors.

- The considered ranges generally reflect positioning near the 75th percentile among the other ISOs and between the 25th and 50th percentiles among the General Industry comparator companies; considers size (by revenues) and organizational complexity
- While common among the other ISOs, meeting fees have become a minority practice for public company boards; in the interest of maintaining simplicity and transparency, the addition of meeting fees was not considered
- For context, the considered ranges remain well below pay levels for directors on the boards of market participants and other public companies

Program Component	Current	Considered Ranges	
		Low	High
Total Board Compensation <i>(Average, excludes Board Chair, Vice Chair roles)</i>	\$89,100	~\$132,000	~\$176,000
Annual Board Retainer	\$87,000	\$125,000	\$165,000
Board/Committee Meeting Fees	\$0	\$0	\$0
Committee Chair Retainers			
• Finance and Audit (F&A)	\$5,600	\$25,000	\$35,000
• HR and Governance (HR&G)	\$5,600	\$15,000	\$25,000
• Reliability and Markets (R&M)	\$5,600	\$15,000	\$25,000
Committee Member Retainers	\$0	\$0	\$0
Board Leadership Roles			
• Board Chair Retainer	\$12,800	\$25,000	\$35,000
• Vice Chair Retainer	\$7,500	\$10,000	\$15,000
Total Board Cost <i>(Includes Board Chair, Vice Chair roles)</i>	\$733,100	\$1,090,000	\$1,455,000

Recommended Program Changes

Meridian recommends changes to ERCOT’s outside director program, as summarized in the table below.

Program Component	Current	Recommended
Total Board Compensation <i>(Average per director; excludes Board Chair, Vice Chair)</i>	\$89,100	\$169,375
Annual Board Retainer	\$87,000	\$160,000
Board/Committee Meeting Fees	\$0	\$0
Committee Chair Retainers		
• Finance and Audit (F&A)	\$5,600	\$25,000
• HR and Governance (HR&G)	\$5,600	\$25,000
• Reliability and Markets (R&M)	\$5,600	\$25,000
Committee Member Retainers	\$0	\$0
Board Leadership Roles		
• Board Chair Retainer	\$12,800	\$35,000
• Vice Chair Retainer	\$7,500	\$15,000
Total Board Cost <i>(Includes Board Chair, Vice Chair; assumes 8 total directors)</i>	\$733,100	\$1,405,000

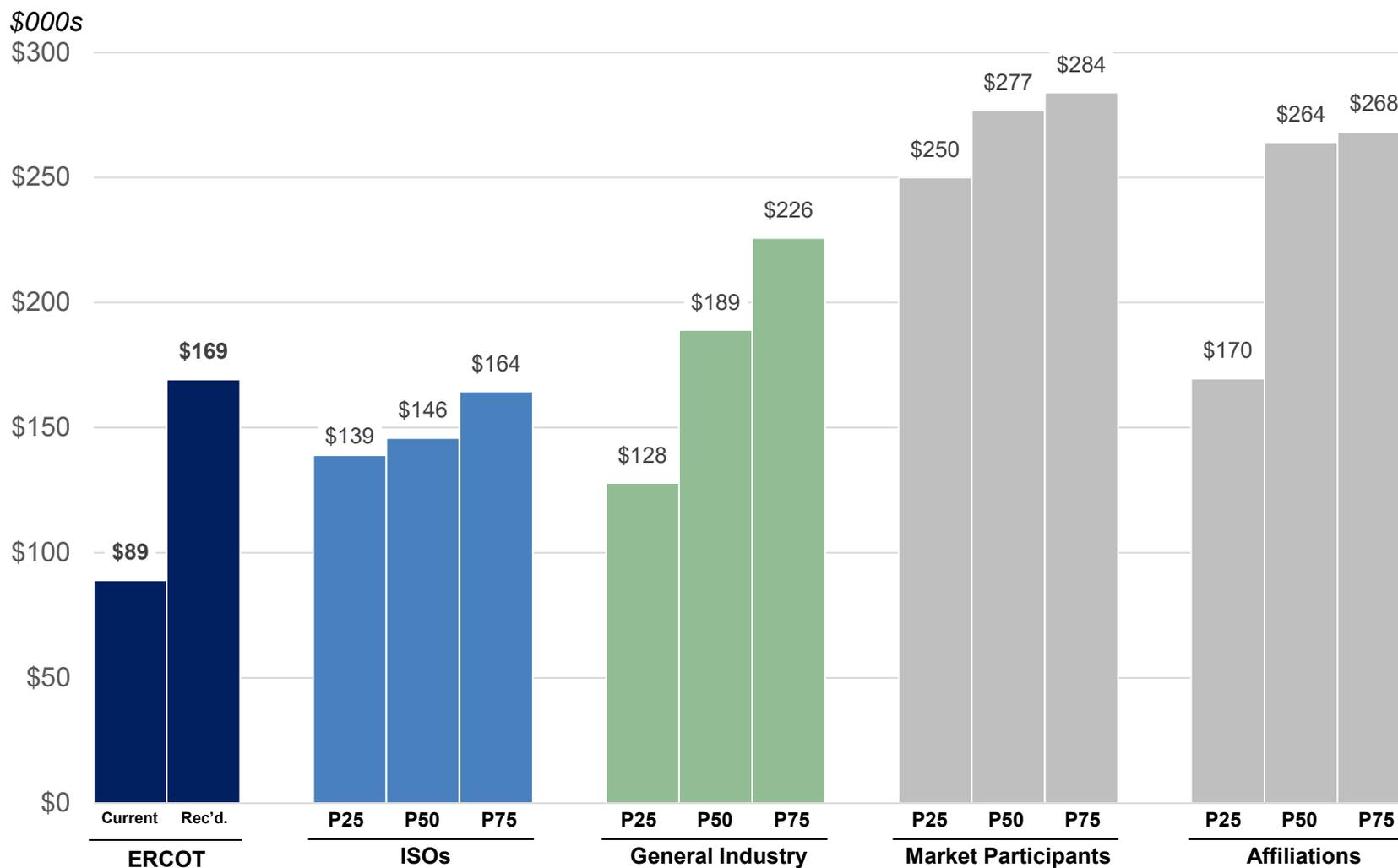
These changes will align the total program structure and value with competitive market practices and considers the factors outlined on page 2 of this document. Following the changes:

- Average annual compensation per director would be positioned 3% above the 75th percentile among the ISO peers
- Retainers for Board and Committee leadership roles would be aligned with market levels
- Total Board Cost would be positioned 9% below the 75th percentile among the ISO peers (and 4% below the median)

Comparisons of the ERCOT program (current and recommended) to market references are provided on the following pages.

ERCOT versus Market References

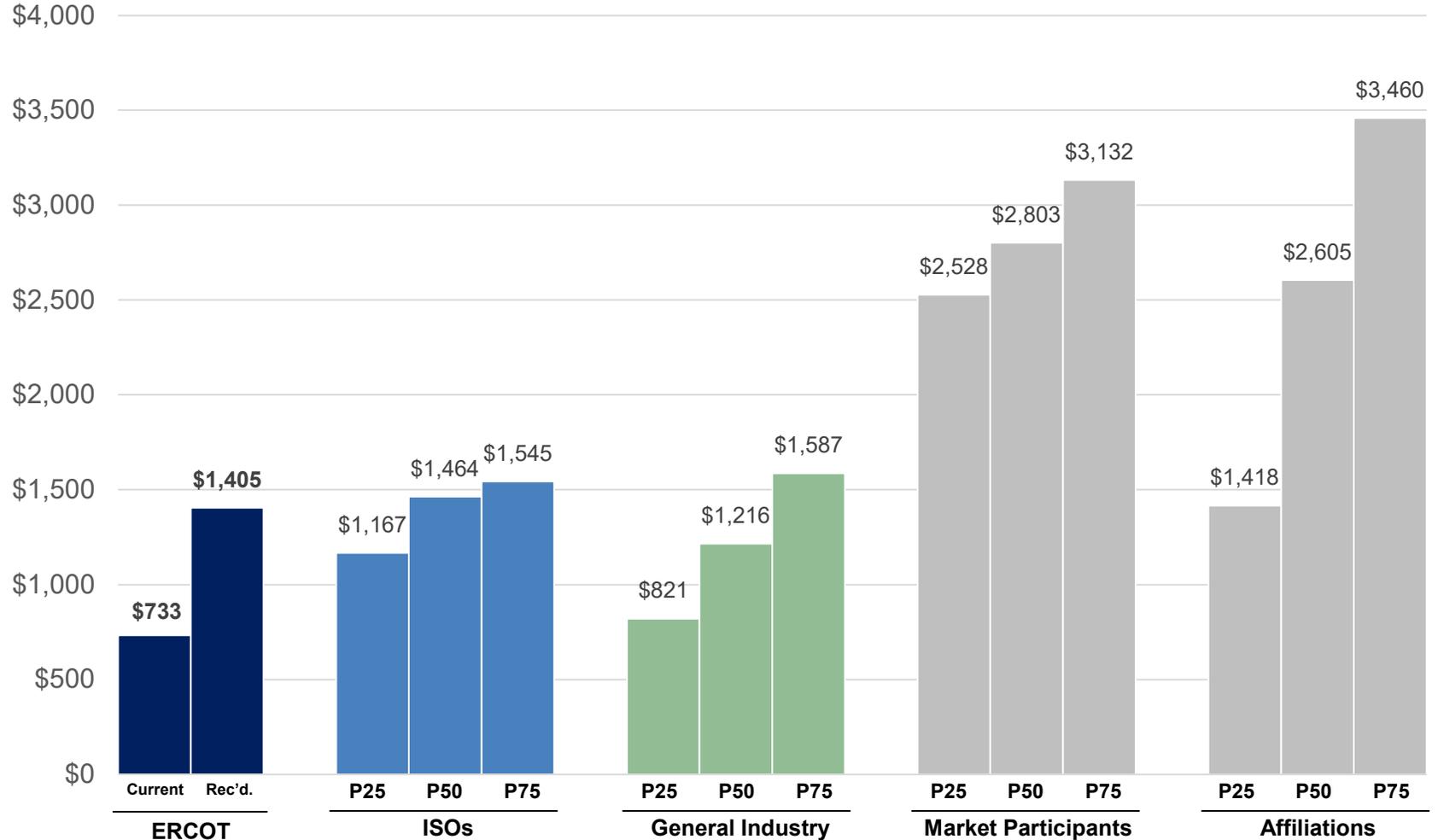
Average Annual Compensation per Director



ERCOT versus Market References

Total Board Cost

\$000s



Appendix A: Detailed Market Observations

Market Observations

Compensation Detail – ISO Peers

	Revenue (\$MM)	Latest Form 990 Filing	Average Pay per Director		Total Board Cost	
			As Disclosed	Estimated 2023	As Disclosed	Estimated 2023
California Independent System Operator (CA ISO)	\$247	2019	\$76,300	\$87,556	\$381,500	\$437,780
ISO New England	\$211	2020	\$131,563	\$145,866	\$1,052,500	\$1,166,926
Midcontinent Independent System Operator (MISO)	\$413	2019	\$159,453	\$182,976	\$1,275,625	\$1,463,809
New York ISO	\$192	2022	\$158,917	\$164,479	\$1,492,750	\$1,544,996
Southwest Power Pool	\$248	2019	\$121,182	\$139,059	\$1,383,000	\$1,587,024
PJM Interconnection	\$382	–	–	–	–	–
75th Percentile	\$348		\$158,917	\$164,479	\$1,383,000	\$1,544,996
Median	\$247		\$131,563	\$145,866	\$1,275,625	\$1,463,809
25th Percentile	\$220		\$121,182	\$139,059	\$1,052,500	\$1,166,926
ERCOT (Current)	\$350		\$89,100	\$89,100	\$733,100	\$733,100
Percentile Rank	75%		7%	1%	13%	10%
<i>vs. P75</i>				-46%		-53%
<i>vs P50</i>				-39%		-50%
<i>vs P25</i>				-36%		-37%
ERCOT (Recommended)	\$350			\$169,375		\$1,405,000
Percentile Rank	75%			82%		45%
<i>vs. P75</i>				3%		-9%
<i>vs P50</i>				16%		-4%
<i>vs P25</i>				22%		20%

Notes:
 ISO peer revenue data from financial reports on ISO websites; most recent year reported
 ERCOT revenue from management
 Pay information from latest Form 990 filings; aged 3.50% to 2023
 Average pay per director exclude board leadership fees, when disclosed
 Total Board costs includes board leadership fees, when disclosed
 No public filings were found for PJM Interconnection

Market Observations

Program Summary

Compensation Component	ERCOT	ISOs			General Industry			Market Participants		Affiliations	
		Prevalence	Median	75th %ile	Prevalence	25th %ile	Median	Prevalence	Median	Prevalence	Median
Board Fees											
Annual Retainer	\$87,000	–	–	–	98%	\$40,000	\$55,500	100%	\$112,500	100%	\$102,500
Meeting Fee	\$0	–	–	–	13%	–	\$10,500	12%	\$13,000	0%	–
Committee Fees											
<i>Audit</i>											
Chair Retainer	\$5,600	–	–	–	94%	\$15,000	\$20,000	94%	\$25,000	100%	\$25,000
Member Retainer	\$0	–	–	–	52%	\$7,000	\$9,500	41%	\$15,000	44%	\$8,500
Meeting Fees	\$0	–	–	–	14%	\$1,000	\$1,400	18%	\$1,500	0%	–
<i>Compensation</i>											
Chair Retainer	\$5,600	–	–	–	91%	\$10,000	\$15,000	94%	\$20,000	100%	\$20,000
Member Retainer	\$0	–	–	–	50%	\$5,000	\$6,000	24%	\$10,000	33%	\$6,000
Meeting Fees	\$0	–	–	–	14%	\$1,000	\$1,225	18%	\$1,500	0%	–
<i>Governance</i>											
Chair Retainer	\$5,600	–	–	–	80%	\$9,000	\$10,000	88%	\$15,000	100%	\$15,000
Member Retainer	\$0	–	–	–	42%	\$5,000	\$5,000	24%	\$10,000	33%	\$5,000
Meeting Fees	\$0	–	–	–	13%	\$1,000	\$1,300	18%	\$1,500	0%	–
Annual Equity Value	\$0	–	–	–	95%	\$60,000	\$103,353	88%	\$155,000	100%	\$140,000
Non-Executive Chairman	\$12,800	–	–	–	57%	\$30,000	\$50,000	41%	\$142,500	78%	\$110,000
Vice Chairman	\$7,500	–	–	–	2%	\$35,000	\$50,000	0%	–	0%	–
Lead Director	–	–	–	–	38%	\$9,500	\$15,000	71%	\$30,000	22%	\$45,000
Total Board Compensation											
All Directors	\$733,100		\$1,463,809	\$1,544,996		\$821,250	\$1,215,616		\$2,802,500		\$2,605,142
Independent Directors	8		Range: 5-11/Avg. 9.33			6	6		10		9
Average (excl Chair/Lead)	\$89,100		\$145,866	\$164,479		\$127,917	\$189,063		\$276,875		\$264,091

Notes:

Tabular data represent the individual components of pay at the 25th, 50th and 75th percentiles, and are not additive
 Calculations excludes companies without prevalence and additional compensation
 ISO comparator group excluded from analysis due to lack of pay component disclosure in Form 990s

Market Observations

Average Compensation Detail

	TTM Revenue (\$Mn)	Cash Compensation					Annual Equity	Total Compensation
		Annual Cash Retainer	Board Meeting Fees ¹	Committee Fees	Board Meeting & Committee Fees	Total Cash		
ERCOT	\$350	\$87,000	–	–	\$2,100	\$89,100	–	\$89,100
INDEPENDENT SYSTEM OPERATORS (ISOs)								
75th Percentile	\$348	–	–	–	–	\$164,479	–	\$164,479
Median	\$247	–	–	–	–	\$145,866	–	\$145,866
25th Percentile	\$220	–	–	–	–	\$139,059	–	\$139,059
GENERAL INDUSTRY								
75th Percentile	\$761	\$75,000	–	\$17,073	\$18,000	\$90,608	\$137,900	\$225,813
Median	\$525	\$55,500	\$10,500	\$11,833	\$12,500	\$74,083	\$103,353	\$189,063
25th Percentile	\$331	\$40,000	–	\$6,295	\$7,359	\$55,657	\$60,000	\$127,917
MARKET PARTICIPANTS								
75th Percentile	\$19,228	\$115,000	–	\$14,091	\$14,091	\$129,091	\$160,000	\$284,000
Median	\$15,310	\$112,500	\$13,000	\$11,500	\$11,667	\$124,000	\$155,000	\$276,875
25th Percentile	\$9,321	\$100,000	–	\$7,308	\$9,000	\$120,000	\$130,000	\$250,000
AFFILIATIONS								
75th Percentile	\$19,640	\$110,000	–	\$12,778	\$18,000	\$118,000	\$153,000	\$268,278
Median	\$5,851	\$102,500	–	\$11,818	\$12,500	\$114,091	\$140,000	\$264,091
25th Percentile	\$514	\$65,000	–	\$8,000	\$7,359	\$70,222	\$100,000	\$169,688

Notes:

¹ Median shown in table calculated excluding \$0's (most prevalent)

Note: Tabular data represent the individual components of pay at the 25th, 50th and 75th percentiles, and are not additive
ISO comparator group excluded from analysis due to lack of pay component disclosure in Form 990s

Market Observations

Board Leadership

- A strong majority of all comparators disclose formal Board leadership roles for which additional compensation is paid; the most prevalent form of additional compensation is a defined cash retainer
- Compensation for Board leadership roles is typically “tailored” by companies to reflect the varied nature and scope of the role which may differ materially from one company to another; benchmarking results should be interpreted and applied accordingly
 - It is common for Non-Executive Chairman pay to be significantly higher than Lead Director pay
- Amid limited disclosures, only two ISO peers appear to have additional retainers for Board leadership roles
 - New York ISO: \$50,000 for Chair, \$12,500 for Vice-Chair
 - Southwest Power Pool: apparent \$50,000 for Chair

	ISOs	General Industry	Market Participants	Affiliations
75th Percentile	–	\$98,438	\$171,250	\$170,000
Median	\$50,000	\$50,000	\$142,500	\$110,000
25th Percentile	–	\$30,000	\$100,000	\$48,375
ERCOT - Chair		\$12,800		
ERCOT - Vice Chair		\$7,500		

Appendix B: Study Methodology

Study Methodology

Defining the Market for Director Talent

- Developing a comparator group for ERCOT is challenging; our approach to define the market for director talent considered multiple perspectives
- The table below summarizes four comparator groups that reflect different market perspectives and corresponding sources of compensation data used in our analysis
- The ISO and General Industry comparator groups reflect the primary market references, with the Market Participants and Affiliated Companies serving as broader market references

	Description	Data Sources
ISO Peers (n=5)	<ul style="list-style-type: none"> ■ Independent system operators (ISOs) across the U.S. for which public compensation data were available <ul style="list-style-type: none"> – Revenue: P50=\$247MM; P75=\$348MM 	<ul style="list-style-type: none"> ■ Most recent Form 990 filings, where available <ul style="list-style-type: none"> – The timing of Form 990 filings varies by ISO, ranging from 2019 to 2022 – No Form 990 filings were found for PJM Interconnection
General Industry Companies (n=126)	<ul style="list-style-type: none"> ■ A group of comparably-sized, publicly-traded companies <ul style="list-style-type: none"> – Revenue <\$1B (P50=\$518MM) 	<ul style="list-style-type: none"> ■ Annual proxy statement disclosures of non-employee director compensation programs <ul style="list-style-type: none"> – Most recent proxy filings (2022)
Market Participants (n=17)	<ul style="list-style-type: none"> ■ Primarily publicly-traded companies that are market participants in ERCOT <ul style="list-style-type: none"> – Reflects companies used by management for compensation benchmarking – Revenue: range from \$2.25MM to \$31.5B (P50=\$15.3B) 	<ul style="list-style-type: none"> ■ Annual proxy statement disclosures of non-employee director compensation programs <ul style="list-style-type: none"> – Most recent proxy filings (2022)
ERCOT Director Affiliations (n=9)	<ul style="list-style-type: none"> ■ Publicly-traded companies with which the ERCOT independent directors have affiliations <ul style="list-style-type: none"> – Revenue: range from \$75MM to \$21.7B (P50=\$5.85B) 	<ul style="list-style-type: none"> ■ Annual proxy statement disclosures of non-employee director compensation programs <ul style="list-style-type: none"> – Most recent proxy filings (2022)

Study Methodology

Data Analysis

Meridian applied consistent methodologies and assumptions to develop an appropriate basis for comparison, based on available sources of market data.

ISOs

- Information regarding the quantum of pay to the director pay programs was collected from the most recent Form 990 filings for the five ISOs
 - The timing of Form 990 filings varies by ISO, ranging from 2019 to 2022
- Estimated current compensation levels were developed by “aging” disclosed compensation values using a 3.50% annual growth rate
 - Slightly lower than the 12-year average annual growth rate (3.72%) for companies with revenue of \$50 million to \$500 million, as reported in published NACD Director Compensation Reports

Other Comparators

- Each comparator company’s actual Board and Committee meeting schedule
- Equity awards valued as of a common date:
 - Full-value shares/units reflect their face value
 - Annual grants of stock options were valued using a Black-Scholes methodology
- Excludes any compensation paid for special committees or activities
- Director compensation data were not aged



Date: June 13, 2023
To: Board of Directors
From: Peggy Heeg, Human Resources and Governance (HR&G) Committee Chair
Subject: Board Compensation

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: June 20, 2023

Item No.: 12.2

Issue:

Whether the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) should approve an increase to Director compensation levels, to be effective July 1, 2023, subject to approval by the Public Utility Commission of Texas (PUCT or Commission).

Background/History:

Rules Relating to Director Compensation

Public Utility Regulatory Act (PURA) Section 39.151(g-2) provides that “Members of the governing body [of ERCOT] are entitled to receive a salary for their service.” Consistent with PURA, ERCOT Bylaws Section 10.1(b) provides, in pertinent part:

The Board shall have the authority to fix the compensation of its Selected Directors who may be paid a fixed sum plus reimbursement of travel expenses for attendance at each meeting of the Board, or a stated compensation as a member thereof, or any combination of the foregoing. Selected Directors, who are members of standing or special committees, may be allowed like compensation and reimbursement of travel expenses for attending committee meetings.

Compensation levels for Selected Directors are set forth in Appendix A of the Board Policies and Procedures. The Board Policies and Procedures may be amended at any time pursuant to Section 11.1 thereof.

The Board has delegated oversight of compensation for Selected Directors to the HR&G Committee. Section (IV)(B)(1)(a)(ii) of the HR&G Committee Charter provides:

The Committee shall regularly review the Company’s governance processes and governing documents, and if applicable, make recommendations to the Board regarding potential changes to the Company’s governance. This review shall include ... [a]n annual review of the Board’s policies and procedures addressing Director compensation.



Further, Section (V)(a)(1) provides, in pertinent part, that “[t]he Committee is empowered to investigate any matter relating to its duties and responsibilities, with ... the power to retain compensation consultants ... for this purpose.”

Pursuant to PUCT Substantive Rule 25.362(g)(5), “Compensation, per diem and travel reimbursements to be paid to unaffiliated members of the [ERCOT] governing board shall be subject to commission review and approval.”

Director Compensation History

Compensation levels for Directors entitled to be paid for service (at the time, “Independent Directors”) were last changed by the Board at its meeting on December 12-13, 2012. Compensation levels have remained unchanged for nearly 11 years. Director Compensation was reviewed by a task force of the HR&G Committee in December 2016, and such review resulted in no changes. The last HR&G Committee review of Director Compensation was undertaken in October 2020, and no changes to compensation levels were recommended at that time.

To facilitate the HR&G Committee’s annual review of Director compensation, at its February 28, 2023 meeting, the Board selected Meridian Compensation Partners (Meridian) as a compensation consultant. Meridian performed a benchmarking analysis using multiple data sources and market perspectives, including other Independent System Operators (ISOs), comparably-sized general industry companies, Market Participants, and public companies with which ERCOT’s directors are affiliated. Based on this benchmarking analysis and other considerations including the high volume and complexity of work, recruitment considerations, and external optics and standards, Meridian, in consultation with the HR&G Committee, recommended an increase to Director compensation levels as follows, to be effective July 1, 2023 (all amounts are annual):

Component	Current	Recommended
Selected Director Base Compensation	\$87,000	\$160,000
Board Chair	\$12,800	\$35,000
Board Vice Chair	\$7,500	\$15,000
Board Committee Chair	\$5,600	\$25,000

The details of Meridian’s analysis are set forth in the meeting materials for the June 20, 2023 HR&G Committee meeting.

If a change to Director compensation levels is approved by the Board and subsequently by the Commission, Appendix A of the Board Policies and Procedures would be amended to reflect the new approved levels. A redlined version of Appendix A reflecting the above change in Director compensation levels is attached as **Attachment A**.

The HR&G Committee is scheduled consider the proposed change to Director compensation levels at its June 20, 2023 meeting and is expected to make a recommendation to the Board regarding such proposed change.

Key Factors Influencing Issue:

- Pursuant to Section 10.1(b), the Board has the authority to fix the compensation of its Selected Directors, subject to approval by the Commission.
- Director compensation levels are set forth in Appendix A of the Board Policies and Procedures, which the Board may amend at any time.
- Current Director compensation levels have been in place since December 2011.
- Based on its benchmarking analysis and other considerations including the high volume and complexity of work, recruitment considerations, and external optics and standards, Meridian, in consultation with the HR&G Committee, has recommended an increase to Director compensation levels as reflected in **Attachment A**.

Conclusion/Recommendation:

The HR&G Committee is expected to recommend that the Board approve an increase to Director compensation levels as recommended by Meridian, as reflected in **Attachment A**, to be effective July 1, 2023, subject to approval by the PUCT.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, pursuant to Public Utility Regulatory Act (PURA) Section 39.151(g-2), members of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) are entitled to receive a salary for their service;

WHEREAS, ERCOT Bylaws Section 10.1(b) provides that the Board “shall have the authority to fix the compensation of its Selected Directors,” subject to the review and approval of the Public Utility Commission of Texas (PUCT) pursuant to PUCT Substantive Rule 25.362(g)(5);

WHEREAS, compensation levels for Selected Directors are set forth in Appendix A of the Board Policies and Procedures, which may be amended by the Board at any time pursuant to Section 11.1 thereof;

WHEREAS, Director compensation levels were last changed in December 2012;

WHEREAS, the Board has engaged Meridian Compensation Partners (Meridian) as a compensation consultant, and based on a benchmarking analysis using multiple data sources and market perspectives, including other Independent System Operators (ISOs), comparably-sized general industry companies, Market Participants, and public companies with which ERCOT’s directors are affiliated and other considerations including the high volume and complexity of work, recruitment considerations, and external optics and standards, Meridian, in consultation with the Human Resources and Governance (HR&G) Committee of the Board, has recommended an increase to Director compensation levels as set forth in the changes to Appendix A of the Board Policies and Procedures attached hereto as **Attachment A**, to be effective July 1, 2023;

WHEREAS, after due consideration of the alternatives, the HR&G Committee has recommended that the Board approve the proposed increase to Director compensation levels as recommended by Meridian, subject to the review and approval of the PUCT; and

WHEREAS, the Board deems it desirable and in the best interest of ERCOT to accept the HR&G Committee’s recommendation to approve the proposed increase to Director compensation levels as recommended by Meridian, subject to the review and approval of the PUCT;

THEREFORE, BE IT RESOLVED, that the Board hereby approves the increase to Director compensation levels as set forth in the changes to Appendix A of the Board Policies and Procedures attached hereto as **Attachment A**, to be effective July 1, 2023, subject to the review and approval of the PUCT;



THEREFORE, BE IT FURTHER RESOLVED, that upon approval by the PUCT of the increase in Director compensation levels, ERCOT staff is authorized to amend the Board Policies and Procedures by revising Appendix A as reflected in **Attachment A**, to be effective July 1, 2023.

CORPORATE SECRETARY'S CERTIFICATE

I, Jonathan M. Levine, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its June 20, 2023 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of June, 2023.

Jonathan M. Levine
Assistant Corporate Secretary

Board and Residential Consumer TAC Representative Compensation

Role	Base Compensation	Added Compensation
Selected Director	\$87,000 <u>\$160,000</u> per year	--
Board Chair	--	\$12,800 <u>\$35,000</u> per year
Board Vice Chair	--	\$7,500 <u>\$15,000</u> per year
Board Committee Chair	--	\$5,600 <u>\$25,000</u> per year
Residential Consumer TAC Representative	\$3,000 per month	\$500 per meeting for up to 3 TAC or TAC subcommittee meetings per month