

Transmission and Distribution Sector Election Procedure

The Transmission and Distribution Sector has adopted the following election procedures:

1. The Sector follows the process outlined in the bylaws, with the following clarifications:
 - a. Texas RE staff sends an email to all primary and secondary Membership representatives from each company within the Sector requesting nominations and a brief bio for each MRC nominee for the MRC.
 - i. The nomination period is seven days.
 - ii. On the first business day following the close of the nomination period, the list of nominees and their bios are posted to the Texas RE website.
 1. Texas RE facilitates the election using an electronic means approved by the Corporate Secretary and sends an email to the Sector representatives with instructions for casting ballots.
 - iii. Ballots are accepted for a ten-day period beginning the first business day following the close of the nomination period.
 - iv. The following procedure applies during the normal election cycle every two years when two standing representatives are elected.
 1. Per the bylaws, the nominee receiving the highest number of votes in each Sector shall be elected to one Representative position to be filled from that Sector and the nominee receiving the second highest number of votes shall be elected as the second Representative position for that Sector. To be elected on the first ballot, a nominee must receive a number of votes equal to a simple majority of the Members in the Sector casting votes in the election. If no nominee in a Sector receives a simple majority of votes cast in the first ballot, a second ballot shall be conducted which shall be limited to the number of candidates receiving the three highest vote totals on the first ballot. The nominees receiving the two highest totals of votes on the second ballot shall be elected to the Representative positions for the Sector.
 2. Only one ballot per Member company is accepted. If both the primary and secondary membership representatives respond, only the primary representative's ballot will be counted.
 3. A quorum must be met in each round of balloting. To reach a quorum, a majority of the Member companies in the Sector must submit a ballot.
 - v. The following procedure applies in the event of a single vacancy of a standing Representative:
 1. The nominee receiving the highest number of votes shall be elected to the vacant standing Representative position to fill the unexpired term. To be elected on the first ballot, a nominee must receive a number of votes equal to a simple majority of the Members in the Sector casting votes in the election. If no nominee in a Sector receives a simple majority of votes cast in the first ballot, a second

ballot shall be conducted which shall be limited to the number of candidates receiving the three highest vote totals on the first ballot. The nominee receiving the highest totals of votes on the second ballot shall be elected to the vacant Representative position for the Sector.

2. Only one ballot per Member company is accepted. If both the primary and secondary membership representatives respond, only the primary representative's ballot will be counted.
 3. A quorum must be met in each round of balloting. To reach a quorum, a majority of the Member companies in the Sector must submit a ballot.
- vi. On the first business day following the conclusion of the ballot, the MRC roster with the Sector-approved representatives will be posted on the Texas RE website.
- b. This Sector does not select an alternate.