



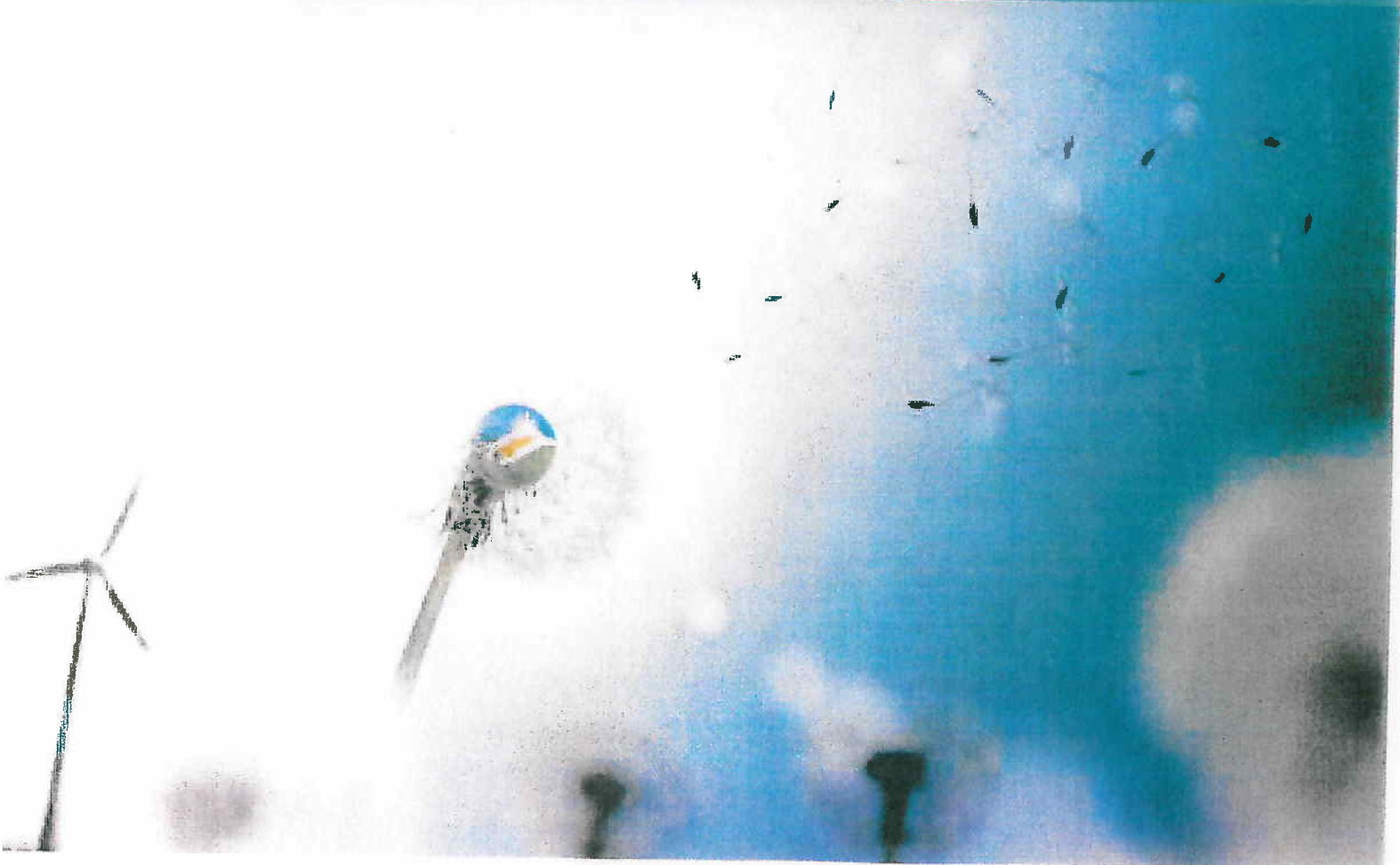
California ISO
Your Link to Power

10 Year Anniversary 1998-2008

Five-Year Strategic Plan

Planning Horizon: 2008-2012

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The California ISO sees an industry facing sweeping changes in relation to global climate challenges. As a result, the organization is modifying its mission statement to reflect its work to help meet the environmental goals of the state and region through the objectives contained in this FIVE-YEAR STRATEGIC PLAN.

California ISO Mission

For the benefit of our customers, we:

- Operate the grid reliably and efficiently
- Provide fair and open transmission access
- Promote environmental stewardship
- Facilitate effective markets and promote infrastructure development

All through the provision of timely and accurate information.

California ISO Vision

California ISO strives to be a world-class electric transmission organization built around a globally-recognized and inspired team providing cost-effective and reliable service, well-balanced and transparent energy market mechanisms, and high-quality information for the benefit of our customers.

California ISO Core Values

INTEGRITY

We are honest, ethical and trustworthy with each other and stakeholders in all business dealings, reflecting the highest professional standards.

TEAMWORK

We strive for one common vision and are inspired by working together, with clear points of accountability, to be a world-class organization in meeting corporate objectives and serving our customers.

EXCELLENCE

Internal and external excellence—we earn customer trust based on our understanding of needs, implications of decisions, quality, competence, innovation and discipline in our business dealings.

PEOPLE-FOCUS

We value diversity, promote employee development, support work/life balance and foster an invigorating and fulfilling work environment.

OPEN COMMUNICATION

We seek diverse ideas and opinions, value transparency, promote “thought leadership” and openly share information both internally and externally.



FIVE-YEAR STRATEGIC PLAN

TABLE OF CONTENTS

I.	Introduction	2
II.	Executive Summary	4
III.	Organizational Transformation	7
IV.	Drivers	9
V.	Strategic Objectives, Sub-Objectives and Corporate Initiatives	12
	Strategic Objective 1: Excellence in Grid and Market Operations	13
	Strategic Objective 2: Grid Resource Development	15
	Sub-Objective 2.1: Infrastructure Guided by Price Transparency	16
	Sub-Objective 2.2: Robust and Transparent Electricity Markets	18
	Sub-Objective 2.3: Alignment with State and Federal Priorities	20
	Strategic Objective 3: Organizational Effectiveness	22
	Sub-Objective 3.1: People Strategies	24
	Sub-Objective 3.2: Maturity in Capabilities	26
	Sub-Objective 3.3: Superior Customer Service.....	28



I.

INTRODUCTION

More than two years ago, the California Independent System Operator Corporation (California ISO) set out on a journey of corporate transformation. In 2008, while also celebrating its tenth year of operations, the organization continues to mature while approaching a new goal of *Organizational Effectiveness*. This important phase of the transformation will capitalize on the progress made by the corporation to improve overall efficiency, strive for excellence and leverage technology to better meet the needs the California electricity industry and the consumers it serves.

This FIVE-YEAR STRATEGIC PLAN (the Plan) covers the 2008 to 2012 planning horizon, illuminating the path the California ISO will follow to respond to important environmental, regulatory, workforce and energy supply/delivery challenges that compel the organization to find innovative and more efficient ways of doing things. The Plan embraces the challenges facing California and the nation, and proposes strategies to address them while continuing to enhance transparency and excellence in grid and market operations, affording open and non-discriminatory grid access and improving service to our customers.

When Californians switch a light on, they may not know who to thank—but behind every glowing lamp, the people of the ISO, in partnership with the industry, are reinventing grid operations, strengthening the transmission infrastructure, enhancing the markets and deploying new technologies—to the benefit of all who depend on the reliable flow of electricity and the responsible use of resources that feed into the power grid. “Keeping the lights on” for the most populous state in the nation and the eighth largest economy in the world is integral to the mission of the California ISO. This Plan conveys the recent successes, future opportunities and strategic direction of the California ISO.

The STRATEGIC PLAN builds upon the 2007 FIVE-YEAR BUSINESS PLAN by renewing external and internal deliberations and updating market and industry drivers. The effort led to revised objectives, new initiatives and the advancement of previously approved, ongoing efforts. This process framed the contents of this Plan which is organized into five sections:

- **The Executive Summary** providing a high-level overview of this Plan including a list of the Strategic Objectives and Corporate Initiatives.
- **Drivers** describing the key factors expected to shape the industry over the next five years. This section also reveals key risks that have been identified through the corporate enterprise risk management process.
- **Organizational Transformation** highlighting the corporation’s process of continuous improvement and the current goal of *Organizational Effectiveness*—all of which will help establish the California ISO as a world-class transmission organization.
- **Strategic Objectives, Sub-Objectives and Corporate Initiatives** presenting the organization’s three broad strategic objectives, along with the associated sub-objectives and initiatives that are key to the achievement of these objectives.

The key to successful implementation of the Plan's strategies is managing the corporation's talent, technology and processes in a way that ensures the right people with the right tools and the right leadership are in place to take the organization to the next level of success.

The California ISO is an organization with a unique and proven ability to take on the big issues and involve others in the drive to solutions. This ability is a measure of the commitment and dedication of its people who believe that this industry has a key role in finding answers to today's challenges.