




California ISO
Shaping a Renewed Future

Substance Abuse Prevention Policy

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SUBSTANCE ABUSE PREVENTION POLICY		Distribution Restriction: ISO PUBLIC	

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I. Introduction

The California Independent System Operator Corporation is committed to protecting the safety, health and well-being of its employees, and all persons who come into contact with its employees, workplaces and property, and/or use its services.

It is the intent of the ISO (“Company”) to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees.

Employees who are under the influence of drugs or alcohol on the job compromise the Company’s interests, and endanger their own health and safety and the health and safety of others.

Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products or service.


II. Purpose

To further the ISO’s interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its employees, business, property, equipment, and operations, the Company has established this Substance Abuse Prevention Policy (“Policy”) concerning the use of alcohol and drugs. As a condition of continued employment with the ISO, each employee must abide by this Policy.

III. Definitions

For purposes of this Policy:

- (1) “Illegal drugs or other controlled substances” mean any drug or substance that (a) is not legally obtainable; or (b) is legally obtainable but has not been legally obtained; or (c) has been legally obtained but is being sold or distributed unlawfully.
- (2) “Legal drug” means any drug, including any prescription drug or over-the-counter medication, that has been legally obtained and that is not unlawfully sold or distributed.

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- (3) “Abuse of any legal drug” means the use of any legal drug (a) for any purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
- (4) “Reasonable suspicion” includes a suspicion that is based on specific personal observations of such behaviors as an employee’s manner, disposition, muscular movement, appearance, behavior, speech or breath odor; information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.
- (5) “Possession” means that an employee has the substance on his or her person or otherwise under his or her control.

IV. Prohibited Conduct

A. Scope


The prohibitions of this section apply whenever the interest of the ISO may be adversely affected, including but not limited to, any time an employee is:

- (1) On Company premises;
- (2) Conducting or performing Company business, regardless of location;
- (3) Operating or responsible for the operation, custody, or care of Company equipment or other property; or
- (4) Responsible for the safety of others in connection with, or while performing, Company-related business.

B. Alcohol

The following acts are prohibited and will subject an employee to termination:

- (1) The unauthorized use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of alcohol while an employee is engaged in the performance of the employee’s job duties either on Company premises or offsite; or

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- (2) The use, abuse, or misuse of alcohol off the job that impairs, to any extent, performance on the job.

C. Illegal Drugs

The following acts are prohibited and will subject an employee to termination:

- (1) The use, possession, purchase, sale, manufacture, distribution, transportation, or dispensation of any illegal drug or other controlled substance.

D. Legal Drugs


The following acts are prohibited and will subject an employee to termination:

- (1) The abuse of any legal drug;
- (2) The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with the law;
- (3) Working while impaired by the use of a legal drug whenever such impairment might:
- (a) Endanger the safety of the employee or some other person;
 - (b) Pose a significant risk of damage to the Company's interests, property, or equipment;
 - (c) Materially interfere with the employee's job performance or the efficient operation of the Company's business.

V. Disciplinary Action

A. Termination for Violation of Policy

A first violation of this Policy will result in immediate termination of employment whenever the prohibited conduct:

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- (1) Causes injury to the employee or any other person, or, in the sole opinion of management, endangers the safety of the employee or any other person;
- (2) Results in significant damage to Company property or equipment, or, in the sole opinion of management, poses a risk of significant damage;
- (3) Involves the use, sale, possession, distribution, dispensation, or manufacture of illegal drugs or other controlled substances;
- (4) Involves the unauthorized use, possession, distribution, or dispensation of alcohol on Company premises;
- (5) Involves a contract, casual, seasonal, or temporary employee; or
- (6) Involves the failure of an employee to report a criminal conviction (see Sections below.)


B. Discretion Not to Terminate Employment

In circumstances other than those described in Paragraph A above, the ISO, in the discretion of management, may choose not to terminate employment for a first violation of this Policy.

An employee who is not terminated for a first violation of this Policy will receive a formal written warning.

As a condition of continued employment, an employee who is not terminated for a first violation must consent to a treatment program approved by the ISO, successfully complete the approved treatment program as certified by the treatment facility, and submit to follow-up random testing for up to, and no less than, one year upon the employee's return to work ("conditions of continued employment").

Any violation of the conditions of continued employment will result in immediate termination.

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C. Effect of Criminal Conviction

An employee who is convicted under a criminal drug or alcohol statute for a violation occurring in the workplace or during any Company-related activity or event will be deemed to have violated this Policy.

D. Effect of Second Violation

A second violation of this Policy at any time will result in immediate termination of employment.

E. Effect of Termination on Eligibility for Rehire

Employees who are terminated for a violation of this Policy will not be eligible for rehire by the ISO.

VI. Drug-Free Awareness Program

A. Employee Awareness

The ISO has established a Drug-Free Awareness Program that is designed to inform employees about the dangers of drug abuse in the workplace, and to help ensure that employees are familiar with this policy and the consequences for violating it.


From time to time, employees will be requested to attend one of the sessions of the Drug-Free Awareness Program. During each such session, employees will be given current information about the ISO's Employee Assistance Program.

B. Management Awareness

Directors and Managers should be attentive to the performance and conduct of those who work with them and should not permit an employee to work in an impaired condition or to otherwise engage in conduct that violates this Policy. When management has reasonable suspicion to believe that an employee or employees are working in violation of this Policy, prompt action will be taken.

C. Criminal Convictions

Employees must notify the ISO of any conviction under a criminal drug or alcohol statute for a violation occurring in the workplace or during any Company-related

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activity or event. Employees must notify the ISO within five days after any such conviction.

VII. Use of Legal Drugs

The ISO recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to the Company's interests or property, or materially interfere with the employee's job performance.

If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. The employee may also contact Human Resources to determine whether or not he or she qualifies for an unpaid leave of absence, such as family care or medical leave.

Nothing in this Policy is intended to sanction the use of sick leave, floating holiday, vacation time or other approved leaves of absence to accommodate absences due to the *abuse* of legal drugs.

Furthermore, nothing in this Policy is intended to diminish the Company's commitment to employ and reasonably accommodate qualified disabled individuals. The ISO will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.


VIII. Unregulated or Authorized Conduct

A. Customary Use of Over-the-Counter Drugs

Nothing in this Policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Policy.

B. Authorized Use or Possession of Alcohol

Consumption of alcohol provided to employees by the ISO at certain events, such as social functions, does not violate this Policy.

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Additionally, giving and receiving products containing alcohol in the form of gifts or mail orders (such as wine club memberships) do not violate this Policy.

IX. Confidentiality

Disclosures made by employees to the Leave of Absence (LOA) Administrator concerning their use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so, such as determining whether the employee can continue working.

Disclosures made to the LOA Administrator concerning participation in any drug or alcohol rehabilitation program will be treated confidentially.

X. Employee Assistance Program


As a benefit of employment, employees have access to an Employee Assistance Program (EAP) to professionally assist employees and their families with substance abuse problems, as well as for other personal and emotional challenges.

Employees who suspect that they may have alcohol or drug problems, even in the early stages, are encouraged to voluntarily seek diagnosis and to follow through with the treatment as prescribed by qualified professionals.

Employees should be aware that participation in the Employee Assistance Program will not necessarily shield them from disciplinary action for a violation of this Policy, particularly when the violation occurs prior to the employee seeking assistance.

Employees may be eligible for a leave of absence to pursue rehabilitation. Each request for assistance will be treated confidentially, and only those persons with a need to know will be informed of the employee's request.

An employee's decision to seek help will not be used as the basis for disciplinary action against the employee, although in some circumstances the employee may be transferred, given work restrictions or placed on leave, as the Company deems appropriate, while seeking assistance or until the employee is drug and alcohol free.

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XI. Drug Testing

A. Testing of Applicants

As part of the ISO's employment screening process, applicants to whom an offer of employment is made must pass a test for controlled substances, under the procedures described below. The offer of employment is conditioned on a negative test result.

Applicants will be informed of the ISO's drug testing policy in the employment offer process.

B. Testing of Employees

(1) Reasonable Suspicion Testing


If an employee's supervisor or manager has a reasonable suspicion that the employee is working in an impaired condition or otherwise engaging in conduct that violates this Policy, the employee will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. If the employee is unable to explain the behavior, he or she will be asked to take a drug test in accordance with the procedures outlined below. If the employee refuses to cooperate with the administration of the drug test, the refusal will be handled in the same manner as a positive test result.

(2) Post-Incident Testing

Employees may be required to submit to post-incident testing, under the procedures described below, when the employee is involved in an incident or near-incident that caused, or could have caused, loss of life, serious bodily injury or significant property damage due to the employee's actions or failure to act. If an employee refuses to cooperate with the administration of the drug test, the refusal will be handled in the same manner as a positive test result.

(3) Follow-up Testing

Employees may be required to submit to follow-up testing as a condition of continued employment after the employee's participation in a treatment program for drug and/or alcohol abuse. If an employee refuses to cooperate with the administration of the drug test, the refusal will be handled in the same manner as a positive test result.

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C. Procedures for Drug Testing

The ISO will either (1), refer the employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test or (2), allow employees the option of submitting to a test administered by the Physical Security Department on Company premises.

To the extent an employee chooses to exercise the option of having a NIDA-administered test, the Company will pay the cost of the test and provide transportation to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. The clinic or laboratory will inform the Company as to whether the employee passed or failed the drug test.


If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to disciplinary action by the ISO, as well as all applicable federal, state and local laws.

Any attempt to tamper with, substitute for, adulterate, dilute, or otherwise falsify a test sample will be handled in the same manner as a positive test result. Any failure to complete the testing process, less than full cooperation with the testing process, or any other conduct which intentionally prevents or compromises the process will also be treated as a positive test result.

D. Procedures for Alcohol Testing

The ISO's Physical Security Department will administer breath tests to detect the presence of alcohol. Positive tests will be confirmed with a second breath test. Employees who test positive may request a blood-alcohol test to further validate the results. In the event an employee requests a blood-alcohol test, the Company will pay the cost of the test and provide transportation to the testing facility.

The clinic or laboratory will inform the Company as to whether the employee passed or failed the blood-alcohol test. If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to disciplinary action by the ISO, as well as all applicable federal, state and local laws.

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E. Acknowledgement and Consent

Any employee subject to testing under this Policy will be asked to sign a form acknowledging the procedures governing testing, and to consent to (1), the collection of a sample for the purpose of determining the presence of alcohol or drugs and (2), the release to the Company of medical information regarding the test results.

Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or disciplinary action up to and including termination.

F. Confidentiality

All drug testing-records will be treated as confidential.