

Memorandum

To: ISO Board of Governors
From: Joanne Serina, Vice President, Stakeholder Engagement and Customer Experience
Date: October 19, 2022
Re: **Business practice manual change management report**

This memorandum does not require ISO Board of Governors action.

As required by the Federal Energy Regulatory Commission, Management provides this report to inform the ISO Board of Governors on the status of the business practice manual change requests submitted by stakeholders and the California Independent System Operator Corporation.

Both the ISO and stakeholders use the same electronic system and process to submit and track proposed changes to the BPMs. The process includes stakeholder review, ISO approval or rejection, and a possible appeal to the BPM Appeals Committee, which is comprised of three ISO officers.

As of October 19, 2022, the following table represents the active Proposed Revision Requests (PRRs) in the BPM change management system.

Business Practice Manual (BPM)	# of Active PRR's
Demand Response	2
Energy Imbalance Market	1
Generator Interconnection and Deliverability Allocation Procedures	1
Generator Management	1
Market Instruments	1
Market Operations	4
Reliability Requirements	1
Rules of Conduct Administration	1
Settlements and Billing	10
Total:	22 *

* Comparing total to the BPM Attachment: Twenty-two (22) active PRRs are in the initial or Recommendation stage, seven (7) were in the final decision stage and one (1) was withdrawn.

PROCESS OVERVIEW

The ISO held two monthly BPM change management stakeholder meetings since the submittal of the previous ISO Board of Governors report. There was a stakeholder meeting on August 23, 2022, in which thirty-one (31) stakeholders participated, and a stakeholder meeting on September 27, 2022, in which twenty-nine (29) stakeholders participated. Based on stakeholder comments during the meetings and comments entered into the BPM change management electronic system, it appears that stakeholders are generally satisfied with the process.

BPM CHANGE MANAGEMENT REPORT

PRR 1444 for the Demand Response BPM was appealed on July 15, 2022, and July 19, 2022, by multiple stakeholders. After internal discussion ISO staff decided to withdraw PRR 1444.

Demand response providers must submit various data sets necessary for settlement purposes and for monitoring the demand response system processes. The intent of the PRR was to provide clarity on when monitoring data is due to the ISO and that possible sanctions could be applied to late data submittals. Under existing processes and tariff section 37.5, the ISO applies a sanction of \$1,000 per SCID for every trading day with inaccurate or late Settlement Quality Meter Data (SQMD). For demand response providers, this sanction potentially would apply for late submission of the data sets used for settlement purposes. The data used for monitoring purposes is not SQMD and late submissions of that data potentially would be subject to a sanction under tariff section 37.6 of \$500 per resource for every day the data is late. PRR 1444 proposed to create a deadline for submitting this monitoring data, which would create authority to begin penalizing late submissions of the monitoring data. The ISO received comments from demand response providers stating concern that applying sanctions at the resource ID level could cause severe financial burden, and that sanctions would far exceed the payment for demand response performance. They requested that sanctions for monitoring data be placed at the SCID level, similarly to what the ISO does for inaccurate or late SQMD data. PRR 144 has been withdrawn while the ISO considers the stakeholder feedback and potential Tariff changes.

In compliance with the tariff reporting requirements, attachment 1 of this report:

- States the total number of active PRRs submitted by stakeholders and/or by the ISO;
- Depicts the active PRRs in various stages along the PRR lifecycle;
- Provides details pertaining to the active PRRs; and
- Provides final decision status regarding PRRs that were closed either by adoption or rejection.