

Memorandum

To: ISO Board of Governors
From: Yakout Mansour, President & Chief Executive Officer
Date: March 18, 2008
Re: ***Decision on California ISO Five Year Strategic Plan for 2008 – 2012***

This memorandum requires Board action.

Attached is the California ISO's Five-Year Strategic Plan (the Plan) for 2008-2012. The strategic planning process resulting in this document began with extensive consultation with policy makers, electricity industry leaders, and consumer representatives in California and the West. In addition, the process involved extensive internal deliberations and analyses to develop plans around our key objectives.

The Plan responds to important environmental, regulatory, workforce and energy supply/delivery challenges that face the industry and proposes strategies to address them. At the same time, it describes the ISO's focus on organizational effectiveness to achieve its key objectives. These include excellence in grid and market operations, transparent market prices to drive efficient utilization and development of grid resources—including demand, supply and transmission, alignment with state and federal policies and priorities, open and non-discriminatory grid access and improved service to our customers.

MANAGEMENT RECOMMENDATION

Management recommends that the Board of Governors approve the Five-Year Strategic Plan for the 2008-2012, as outlined in the attached draft Plan.

MOTION:

Whereas, Management and employees of the ISO have conducted a comprehensive assessment of external drivers and internal capabilities, objectives, opportunities and challenges in the next five years; and

Whereas, the ISO Board of Governors has received periodic updates concerning the nature and scope of this planning effort and the ISO's progress on that effort; and

Whereas, the ISO Board of Governors participated in a preliminary review of the ISO's plans with regard to corporate strategic objectives and initiatives, including the ISO's focus on organizational effectiveness for improving processes and gaining new efficiencies to achieve there goals; and

Whereas, Management, based on this planning effort, has developed a comprehensive strategy to guide its operations and functions in the next five years;

Moved, that the ISO Board of Governors approves the California ISO Five-Year Strategic Plan for 2008-2012, dated March 18, 2008, and directs Management to proceed with implementation of the Plan.