

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy and Client Services
Date: October 20, 2011
Re: **Briefing on BPM Change Management Activities**

This memorandum does not require Board action.

EXECUTIVE SUMMARY

This memorandum is a regular report required by the Federal Energy Regulatory Commission 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.

The ISO inaugurated the public change management process for business practice manuals (BPMs) on April 1, 2009. 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 September 29, 2011, 26 proposed revision requests (PRRs) were active in the BPM change management system, of which, all 26 were submitted by the ISO. These 26 active PRRs impact the following BPMs:

- 1 Congestion Revenue Rights
- 1 Credit Management
- 4 Market Operations
- 4 Market Instruments
- 1 Metering (includes one PRR for the new Direct Telemetry BPM)
- 1 Reliability Requirements
- 1 Rules of Conduct Administration
- 13 Settlements and Billing

No BPM decisions are under stakeholder appeal.

PROCESS OVERVIEW

The ISO held monthly BPM change management stakeholder meetings on August 23 and September 27, 2011. There were 17 and 6 stakeholders on the conference calls, respectively. Based on the nature of the meetings, and upon the types of comments entered into the BPM change management electronic system, it appears that stakeholders are generally satisfied with the process, as well as with the progress made on the active PRRs.

BPM CHANGE MANAGEMENT REPORT

The current *Board Update: BPM Change Management Process* report, which includes all the active PRRs as of September 29, 2011, is included as Attachment 1. In compliance with the tariff reporting requirements, the report:

- Summarizes the total number of active PRRs submitted by stakeholders and by the ISO;
- Depicts the number of active PRRs in various steps along the PRR lifecycle, as of September 29, 2011;
- Reflects those PRRs upon which Management has posted its final decision for the period August 2, 2011 through September 29, 2011; and
- Includes PRRs currently under stakeholder appeal, the stakeholder positions on rejected PRRs, and the reasons for rejection.

The following is additional relevant information:

- No PRRs are under stakeholder appeal.
- There were no PRRs submitted into the electronic system by the ISO on an emergency basis.
- A PRR report summarizing the PRRs in the BPM change management system as of September 29, 2011, is included as Attachment 2.