

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy and Client Services
Date: November 6, 2014
Re: **Business practice manual change management activities update**

This memorandum does not require Board action.

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 October 27, 2014, eighteen proposed revision requests (PRRs) were active in the BPM change management system and were all submitted by the ISO. These eighteen active PRRs impact the following BPMs:

- Congestion Revenue Rights (2 requests)
- Managing Full Network Model (1 request)
- Market Instruments (3 requests)
- Market Operations (4 requests)
- Outage Management (1 request)
- Queue Management (2 requests)
- Reliability Requirements (3 requests)
- Settlements and Billing (2 requests)

PROCESS OVERVIEW

The ISO held a monthly BPM change management stakeholder meeting on September 23, 2014, where sixteen stakeholders participated. Based on stakeholder comments during the meeting, and on the types of comments entered into the BPM change management electronic system, it appears that stakeholders are generally satisfied with the process.

BPM CHANGE MANAGEMENT REPORT

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

- States the total number of active PRRs submitted by stakeholders and by the ISO;
- Depicts the active PRRs in various steps along the PRR lifecycle, as of October 27, 2014;
- Reflects that twenty-five PRRs were in final decision status for the period August 29, 2014 through October 27, 2014; and
- Includes PRRs currently under stakeholder appeal, the stakeholder positions on rejected PRRs, and the reasons for rejection.

The following is additional relevant information:

- There are no PRRs under stakeholder appeal.
- Seven PRRs were submitted into the electronic system by the ISO on an emergency basis.

Seven emergency PRRs were submitted in the recent weeks relating to:

- Outage management system replacement
- Contingency reserve cost allocation initiative
- Full network model expansion initiative
- Flexible resource adequacy capacity must offer obligation policy initiative
- OASIS reports due to EIM implementation
- Settlement configuration for charge code 7056

A PRR report summarizing the content of each active PRR in the BPM change management system as of October 27, 2014, is included as attachment 2.