



California ISO
Your Link to Power

California Independent
System Operator Corporation

Business Practice Manual (BPM) Change Management Process

Presentation to ISO Board of Governors

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Why do we need a Business Process Manual (BPM) Change Process

- **Detailed instructions that supplement the Tariff**
- **BPMs for 13 key functional areas**
- **Proposed process combines and balances**
 - **Good ideas from other ISOs**
 - **Stakeholder Needs – Due process, i.e. notice and opportunity to comment**
 - **CAISO Needs – Orderly management of changes**
- **Board approval for tariff amendment to enable the BPM Change Management Process**

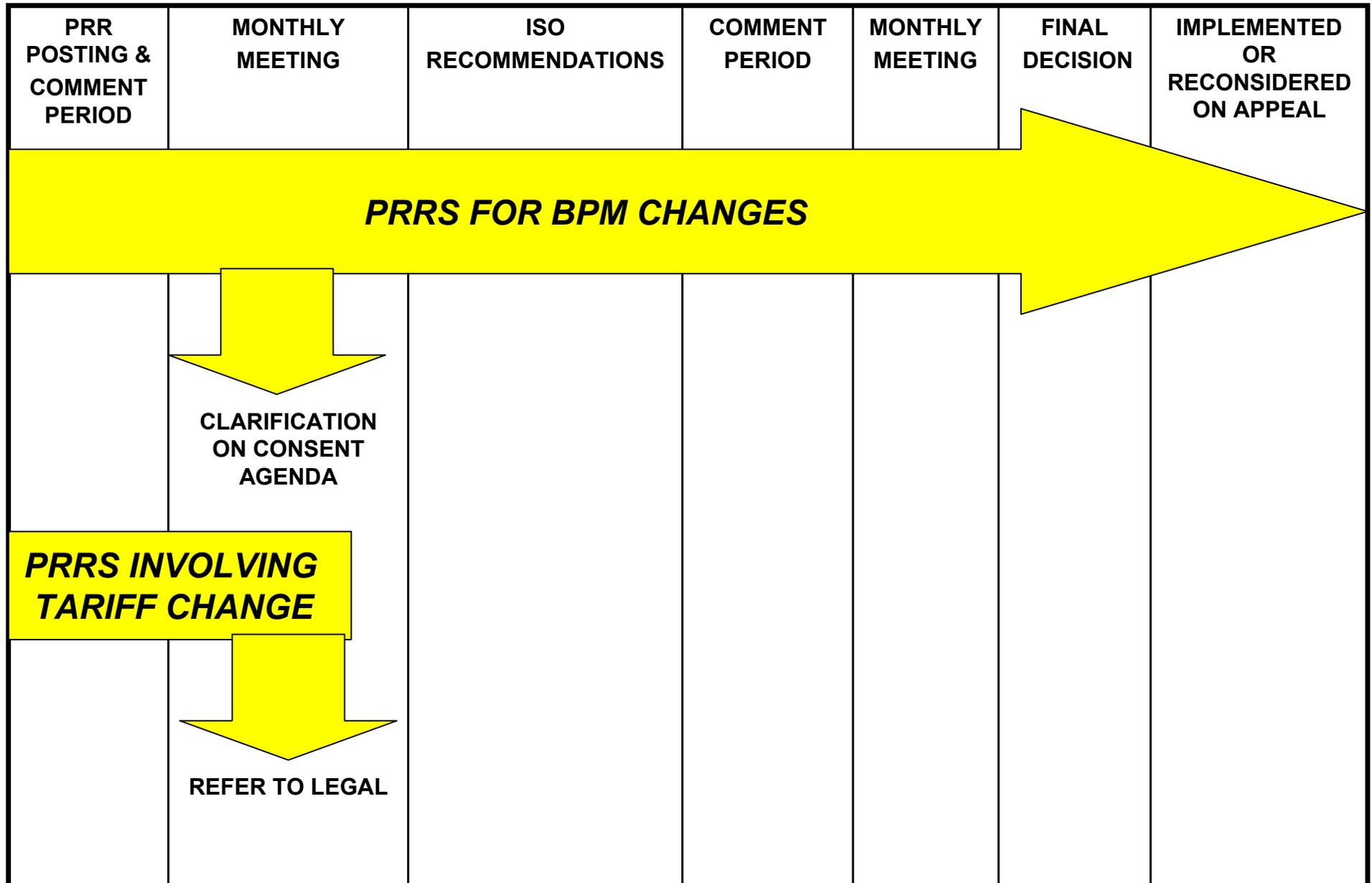


We designed a systematic and transparent approach for change management

- Proposed Revision Request (PRR)
 - Used by everyone - market participants or ISO
 - Posted and transparent
 - Defines Issue and impacts
- PRRs – 3 broad categories
 - Clarification
 - More substantive changes
 - Tariff impact – alternate treatment
- WEB-enabled process!
- Monthly stakeholder meetings



BPM Change Management Process





Revisions in Emergency Circumstances

- Immediate Changes by CAISO when:
 - Change necessary to avoid substantial adverse impact on system reliability, security or CAISO markets, and
- Continuing public process requires CAISO to:
 - Solicit stakeholder comments prior to evoking the change if practicable,
 - Issue a Market Notice concerning emergency revisions
 - Post notice on the web, and
 - Submit the emergency change to standard review process while the change remains in effect



Process improved based on Stakeholder feedback

- **Initial proposal to stakeholders mid-2006**
- **Subsequent revisions in Dec 06 and Mar 07 and April 07**
- **Stakeholders generally supportive**
- **Remaining concerns from some stakeholders**
 - Unilateral ISO Authority
 - Lack of formal stakeholder voting
 - Lack of formal governing board approval
 - BPMs should be filed at FERC



Work planned for successful Feb 08 launch

- **File enabling tariff language with FERC on May 2**
- **Discuss at upcoming FERC BPM technical workshop**
- **Develop internal process**
- **Design web site**



Result – Consistent, orderly and transparent change process that balances multiple needs

- **Transparency**
- **Direct Stakeholder participation**
- **Management accountability for business practices**