

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy & Client Services
Date: October 21, 2009
Re: Report 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 (FERC) to inform the ISO Board of Governors on the status of the Business Practice Manual (BPM) change requests submitted by stakeholders and the California Independent System Operator Corporation (ISO).

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 12, 2009, 66 proposed revision requests (PRRs) were active in the BPM change management system, 95% of which were submitted by the ISO. These 66 active PRRs impact the following BPMs:

33	Settlements and Billing
21	Transmission Planning Process
5	Market Operations
3	Reliability Requirements
1	Credit Management
1	Market Instruments
1	Metering
1	Outage Management

No BPM decisions are under stakeholder appeal.

PROCESS OVERVIEW

The ISO held the monthly BPM change management stakeholder meeting on September 22, 2009. The meeting, which was conducted by conference call, included 39 stakeholders. Based on the nature of that meeting, 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. No significant concerns are currently pending 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 October 12, 2009, is included as Attachment 1. In compliance with the tariff Board 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 October 12, 2009;
- Reflects those PRRs upon which Management has posted its final decision for the period August 20, 2009 through October 12, 2009; 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 appeal;
- Twenty of the active PRRs were submitted into the electronic system by the ISO on an emergency basis
 - nineteen of those PRRs are related to the Settlements and Billing BPM; and
 - one PRR pertains to the Reliability Requirements BPM
- A PRR report summarizing the PRRs in the BPM change management system as of October 12, 2009, is included as Attachment 2.