



Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy & Client Services
Date: December 9, 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 November 20, 2009, 51 proposed revision requests (PRRs) were active in the BPM change management system, 96% of which were submitted by the ISO. These 51 active PRRs impact the following BPMs:

37	Settlements and Billing
4	Market Operations
2	Reliability Requirements
1	Credit Management
1	Market Instruments
1	Metering
1	Outage Management
4	Definitions and Acronyms

No BPM decisions are under stakeholder appeal.

PROCESS OVERVIEW

The ISO held the monthly BPM change management stakeholder meeting on October 27, 2009. The meeting, which was conducted by conference call, included 16 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 November 20, 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 November 20, 2009;
- Reflects those PRRs upon which Management has posted its final decision for the period October 13, 2009 through November 20, 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; PRR 44 was under appeal during this period. However, Citigroup Energy, Inc. withdrew its appeal before the public meeting.
- Seven of the active PRRs were submitted into the electronic system by the ISO on an emergency basis and all of those PRRs are related to the Settlements and Billing BPM.
- A PRR report summarizing the PRRs in the BPM change management system as of December 1, 2009, is included as Attachment 2.