

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy and Client Services
Date: December 7, 2010
Re: **Informational 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 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 November 5, 2010, 69 proposed revision requests (PRRs) were active in the BPM change management system, of which, 67 were submitted by the ISO and 2 were submitted by stakeholders. These 69 active PRRs impact the following BPMs:

- 1 Candidate CRR Holder Registration
- 3 Congestion Revenue Rights
- 1 Credit Management
- 2 Definitions and Acronyms
- 2 Managing Full Network Model
- 7 Market Instruments
- 8 Market Operations
- 1 Reliability Requirements
- 1 Scheduling Coordinator Certification and Termination
- 43 Settlements and Billing

No BPM decisions are under stakeholder appeal.

PROCESS OVERVIEW

The ISO held a monthly BPM change management stakeholder meetings on October 26, 2010. The meeting, which was conducted by conference call, included 10 stakeholders, 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 November 5, 2010, 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 5, 2010
- Reflects those PRRs upon which Management has posted its final decision for the period October 4, 2010 through November 5, 2010; 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.
- Two active PRRs, related to Settlements and Billing, and one active PRR, related to Market Operations, were submitted into the electronic system by the ISO on an emergency basis.
- A PRR report as of November 8, 2010 is included as Attachment 2. This report summarizes PRRs added to the BPM change management system since the November Board report.