

Memorandum

To: ISO Board of Governors

From: Karen Edson, Vice President, Policy and Client Services

Date: September 7, 2012

Re: Briefing on Business Practice Manual 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 August 22, 2012, twelve proposed revision requests (PRRs) were active in the BPM change management system, all submitted by the ISO. These twelve active PRRs impact the following BPMs:

- Market Instruments (3 requests)
- Market Operations (2 requests)
- Settlements and Billing (7 requests)

PROCESS OVERVIEW

The ISO held monthly BPM change management stakeholder meetings on June 26, 2012 and July 24, 2012. Seven stakeholders participated in the June 26 meeting, and eight stakeholders participated in the July 24 meeting. Based on stakeholder comments during the meetings, and on 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 active PRRs as of August 22, 2012, is included as Attachment 1. In compliance with the tariff reporting requirements, the 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 August 22, 2012;
- Reflects those PRRs upon which Management has posted its final decision for the period June 20, 2012 through August 22, 2012; 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.
- One PRR was submitted into the electronic system by the ISO on an emergency basis.

A PRR report summarizing the content of each PRR in the BPM change management system as of August 22, 2012, is included as Attachment 2.