

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President, Policy and Client Services
Date: January 27, 2016
Re: **Business practice manual change management report**

This memorandum does not require Board action.

This memorandum provides a regular report, as 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 January 13, 2016, nine proposed revision requests (PRRs) were active in the BPM change management system, and all were submitted by the ISO. These nine active PRRs affect the following BPMs:

- Credit Management and Market Clearing (1 request)
- Market Operations (1 request)
- Reliability Requirements (2 requests)
- Settlements and Billing (5 requests)

PROCESS OVERVIEW

The ISO held a monthly BPM change management stakeholder meeting on December 15, 2015, where twelve stakeholders participated. Based on stakeholder comments during the meeting and on the types of comments entered into the BPM change management electronic system, it appears that stakeholders are generally satisfied with the process.

BPM CHANGE MANAGEMENT REPORT

In compliance with the tariff reporting requirements, attachment 1 of this 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 January 13, 2016;
- Reflects that thirteen PRRs were in final decision status within the period November 26, 2015 through January 13, 2016; and
- Includes PRRs currently under stakeholder appeal, the stakeholder positions on rejected PRRs, and the reasons for rejection.

The following is additional relevant information:

- There is one PRR under stakeholder appeal.
 - [PRR 854](#) - ISO reason for revision: Update Reliability Requirements BPM to clarify that local reliability resources must respond to a dispatch instruction within 20 minutes to qualify for resource adequacy.
 - Appeals submitted by:
 - Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, (“Six Cities”)
 - Joint Demand Response Parties: EnerNOC, Inc., Johnson Controls, EnergyHub, Converge, Inc. and CPower
 - Joint appeal of Pacific Gas and Electric Company and San Diego Gas & Electric Company.
 - California Public Utilities Commission
 - The California Large Energy Consumers Association
- There were no rejected PRRs.
- Two of the active PRRs were submitted into the electronic system by the ISO on an emergency basis. The two emergency PRRs required rapid implementation, as the effective dates occurred prior to the completion of the BPM change management stakeholder process.

A PRR report summarizing the content of each active PRR in the BPM change management system as of January 13, 2016, is included as attachment 2.