

Memorandum

To: ISO Board of Governors

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

Date: July 5, 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 June 19, 2012, 20 proposed revision requests (PRRs) were active in the BPM change management system, all submitted by the ISO. These 20 active PRRs impact the following BPMs:

- 1 Congestion Revenue Rights
- 1 Market Instruments
- 6 Market Operations
- 1 Reliability Requirements
- 8 Settlements and Billing
- 3 Transmission Planning Process

PROCESS OVERVIEW

The ISO held monthly BPM change management stakeholder meetings on April 24, 2012 and May 22, 2012. Six stakeholders participated in the April 24th meeting and five stakeholders participated on May 22nd. 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 June 19, 2012, is included as Attachment 1. In compliance with the tariff 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 June 19, 2012;
- Reflects those PRRs upon which Management has posted its final decision for the period April 24, 2012 through June 19, 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.
- There were 3 PRRs submitted into the electronic system by the ISO on an emergency basis under the Settlements and Billing BPM, and there was 1 PRR submitted on an emergency basis under the Market Operations BPM.

A PRR report summarizing the PRRs in the BPM change management system as of June 19, 2012, is included as Attachment 2.