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**CAISO BPM Change Management
MRTU Tariff Section 22.11 and 22.4.3:**

Process for BPM Revisions & Clarifications
(Redline Comments from SCE)

April 30, 2007

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BPM Change Management

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22.4.3 Notice of Changes in Operating Procedure and Business Practice Manuals.

The effective date of any change or proposed change in any Operating Procedure or Business Practice Manual shall be established as part of the change management process set forth in Section 22.11 but will be no earlier than at least thirty (30) days from the date of publication of a Market Notice describing the change or proposed change, unless: (1) a different notice period is specified by state or Federal law, (2) the change is reasonably required to address an emergency affecting the CAISO Controlled Grid or its operations, or (3) the change is to a provision of a Business Practice Manual that is necessitated by emergency circumstances specific to that Business Practice Manual. Such circumstances include, but not limited to, any change necessary to ensure that the Business Practice Manual is consistent with the CAISO Tariff or any applicable law, regulation, NERC or WECC operating policies, guidelines and standards, or FERC order, in which case the CAISO shall give Market Participants as much notice as is reasonably practicable. Any notices issued under this provision shall be delivered in accordance with the procedures set out in Section 22.4 and, in the case of the Operating Procedures and Business Practice Manuals, Section 22.11.

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22.11 Operating Procedures and Business Practice Manuals Development and Amendment Process.

The CAISO shall prepare, maintain, promulgate and update the Operating Procedures and Business Practice Manuals. The Operating Procedures and Business Practice Manuals shall be consistent with the CAISO Tariff, and any NERC or WECC operating policies, guidelines and standards, and shall be available on the CAISO Website. The CAISO shall establish a stakeholder process as set forth in Section 22.11.1 and in a Business Practice Manual for BPM change management in order to ensure that all affected parties have an opportunity to comment on proposed changes to any Business Practice Manual.

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Under that process, the CAISO and stakeholders shall consider whether any amendments to the CAISO Tariff are necessary in order to ensure the consistency of the CAISO Tariff and the Business Practice Manuals. The CAISO Governing Board may direct the CAISO to file for acceptance at the FERC of any necessary amendment to the CAISO Tariff to ensure that the Business Practice Manuals are supported by adequate authority under the CAISO Tariff.

22.11.1 Process for Revisions of Business Practice Manuals

Revisions of Business Practice Manuals shall be made in accordance with the process set forth in this Section 22.11.1, provided that the details and procedures for submittal and consideration of a BPM Proposed Revision Request (PRR) and other elements of the BPM change management process shall be set forth in a separate Business Practice Manual for BPM change management.

22.11.1.1 BPM Proposed Revision Request

A request to make any change to a BPM, including any attachments thereto, must be initiated through a submittal of a BPM PRR, except as provided in Section 22.4.3 or 22.11.1.2.

The following entities may submit a BPM PRR:

(1) Any Market Participant;

(2) Local Regulatory Authority;

(2)(3) CAISO management; and

(3)(4) Any other entity that meets the following qualifications:

- (a) The entity must represent a Market Participant in dealings with the CAISO or operate in the CAISO Markets, and
- (b) The entity must demonstrate that the entity (or those it represents) is affected by the subject section(s) of the BPM.

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BPM PRRs shall be submitted electronically to the CAISO in the form and manner described in the Business Practice Manual for BPM Change Management. The CAISO shall post on the CAISO Website by completing the ~~BPM PRR designated~~ form ~~provided on the CAISO Website~~. The BPM PRR shall include a description of the requested revision, the reason for the suggested change, the impacts and benefits of the suggested change, a BPM PRR impact analysis for BPM PRRs submitted by CAISO management, a list of affected BPM sections and subsections, general administrative information, and suggested language for the requested revision.

22.11.1.2 BPM Proposed Revision Request Processing.

The CAISO shall review the BPM PRR for completeness and shall notify the submitter if the BPM PRR is incomplete, including the reasons for its determination, based upon the timelines provided in the BPM for BPM Change Management. An incomplete BPM PRR ~~may~~ shall not receive further consideration until it is completed. In order to pursue the revision requested, a submitter must submit a completed version of the BPM PRR with the deficiencies corrected. If a submitted BPM PRR is complete or once a BPM PRR is corrected, the CAISO shall post the completed or corrected BPM PRR to the CAISO Website and publish a Market Notice of such posting.

22.11.1.3 BPM PRR Coordinator.

The consideration and disposition of BPM PRRs shall be led by a BPM change management coordinator. The BPM change management coordinator shall be an identified employee of the CAISO with responsibility for ensuring that BPM PRRs are processed and reviewed in accordance with the provisions of the Business Practice Manual for BPM Change Management. The BPM change management coordinator shall also be responsible for ~~preparing periodic~~ submitting a reports to the CAISO Governing Board at each regularly scheduled CAISO Governing Board meeting indicating the status of pending BPM PRRs, including a summary of proposed revisions that have been accepted and the reason for any proposed revision that has been rejected.

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22.11.1.4 Types and Treatment of BPM PRRs.

Each BPM PRR shall be preliminarily classified into one of the following categories by the BPM change management coordinator in consultation with internal CAISO business units, the submitter, and representatives from potentially affected stakeholders for purposes of review in accordance with its scope and significance. ~~Types of BPM PRRs and the standard for review of each include:~~

- (a) Category A - Clarifications of existing BPM language, grammatical errors, and revisions with minor significance regarding which no adverse comments are received, which changes may be placed into effect at any time after the comment period expires, subject to Section 22.4.3;
- (b) Category B - Revisions of substantial significance or changes to the CAISO or Market Participants' systems, for which the CAISO will, unless urgent or emergency circumstances exist, delay implementation until after the next regularly scheduled BPM change management meeting even if no comments or no adverse comments are received; and
- (c) Category C - Revisions implementing significant new CAISO policies and/or requiring revisions to the CAISO Tariff, for which the CAISO will, unless urgent or emergency circumstances exist, delay implementation until after the next regularly scheduled BPM change management meeting, and for which the CAISO may identify additional processes that may need to be undertaken in the consideration of the requested change beyond the BPM PRR process. In the case of proposed revisions that would have impacts on CAISO systems, the CAISO will prepare a BPM PRR impact analysis, if not already prepared, in accordance with the procedures set forth in the Business Practice Manual for BPM change management.

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22.11.1.5 BPM PRR Review and Action.

Any interested stakeholder or CAISO management may comment on a posted BPM PRR in accordance with the process set forth in the Business Practice Manual for BPM ~~C~~change ~~M~~management. Comments shall be posted to the CAISO Website. Pending BPM PRRs shall be considered by the CAISO at a regularly established monthly public meeting or specially-noticed meeting dedicated to that purpose. Following any meeting to consider pending BPM PRRs and subject to the standards set forth in Section 22.11.1.4, the BPM change management coordinator shall issue a recommendation for action on each pending BPM PRR and shall publish for public comment a report on the recommendation in accordance with the procedures set forth in the Business Practice Manual for BPM ~~C~~change ~~M~~management. The BPM change management coordinator's ~~shall publish a final~~ decision on any BPM PRR ~~shall be published~~ after a PRR recommendation report has been discussed at a BPM change management meeting at which comments received on the PRR recommendation report were discussed, in accordance with procedures set forth in the Business Practice Manual for BPM change management.

22.11.1.6 Right to Appeal to CAISO.

Any ~~entity eligible to make a BPM PRR under Section 22.11.1.1 Market Participant~~ may appeal in writing the outcome of any BPM PRR to a committee comprising at least three CAISO executives. The CAISO ~~BPM Executive C~~committee ~~(define term)~~ will review the appeal and publish its decision to the appealing party and to the CAISO Website. ~~The CAISO BPM Executive Committee will review the request for appeal and its decision with the CAISO Governing Board during the public session of the next regularly scheduled CAISO Governing Board meeting.~~

22.11.1.27 CAISO Expedited Action in Emergency Circumstances.

Notwithstanding the provisions of Section 22.11.1.1, the CAISO may take expedited action to change or clarify a provision of a BPM under emergency circumstances. In addition to the circumstances identified in Section 22.4.3, emergency circumstances exist whenever the CAISO determines in good faith that (i) failure to implement a change or clarification to a BPM on an expedited basis would substantially and

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adversely affect System Reliability or security or the competitiveness or efficiency of the CAISO Market, and (ii) there is insufficient time to comply with the BPM PRR procedures set forth in Section 22.11.1. The CAISO shall take reasonable steps to communicate with Market Participants and any other directly-affected entities prior to taking expedited action if practicable. If the CAISO takes expedited action to change or clarify a provision of a BPM in emergency circumstances, the CAISO shall promptly issue a Market Notice and submit a BPM PRR to examine the necessity of the change and its impacts.

22.11.2 Changes to Business Practice Manual for BPM Change Management

Any changes to the Business Practice Manual for BPM change management shall require CAISO Governing Board approval.

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**Business Practice Manual
Proposed Revision
Request (BPM PRR)**

A request to make any change to a BPM, including any attachments thereto, as described in Section 22.11.1.

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Market Notice

An electronic notice issued by the CAISO that the CAISO posts on the CAISO Website and provides by e-mail to those registered with the CAISO to receive CAISO e-mail notices.

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