

Business Practice Manual for BPM Change Management

Version 2

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1		03-27-09	Revisions to convert from Draft to Effective version
2		1-19-24	Reviewed document, updated formatting and minor grammatical corrections. Updated section 2.1 to update process

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1. Introduction

Welcome to the **CAISO BPM for BPM Change Management**. In this introduction you will find the following information:

- The purpose of the CAISO BPMs
- What you can expect from this CAISO BPM
- Other CAISO BPMs or documents that provide related or additional information

1.1 Purpose of California CAISO Business Practice Manuals

The Business Practice Manuals (BPMs) developed by CAISO are intended to contain implementation detail, consistent with and supported by the CAISO Tariff, including: instructions, rules, procedures, examples, and guidelines for the administration, operation, planning, and accounting requirements of CAISO and the markets. Business Practice Manuals are posted in the [California ISO BPM Library](#).

1.2 Purpose of this Business Practice Manual

The CAISO Business Practice Manual (*BPM*) for *BPM Change Management* serves as a general reference for readers of CAISO BPMs. It describes the processes to be used in making changes and clarifications to the BPMs.

The provisions of this BPM are intended to be consistent with the CAISO Tariff. If the provisions of this BPM conflict with the CAISO Tariff, the CAISO is bound to operate in accordance with the CAISO Tariff. Any provision of the CAISO Tariff that may have been summarized or repeated in this BPM is only to aid understanding. Even though every effort will be made by the CAISO to update the information contained in this BPM and to notify Market Participants of changes, it is the responsibility of each Market Participant to ensure that he or she is using the most recent version of this BPM and to comply with all applicable provisions of the CAISO Tariff. Any reference in the BPMs to the CAISO Tariff, any other BPM or instrument, is intended to refer to that specific CAISO Tariff or BPM.

The captions and headings in this BPM are intended solely to facilitate reference and not to have any bearing on the meaning of any of the terms and conditions of this BPM.

1.3 References

Other reference information related to this BPM includes:

- CAISO Tariff (issued 2/9/06)
- CAISO Tariff Appendix A, Master Definitions Supplement (issued 2/9/06)

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- CAISO Tariff compliance filing (filed November 20, 2006)
 - CAISO Tariff compliance filing (filed December 20, 2006)

2. Process for Revisions of Business Practice Manuals

Welcome to the **Process for Revisions of Business Practice Manuals** section for **BPM BPM Change Management**. In this section you will find the following information:

2.1 Introduction

A request to make any change to a BPM, including any addition, edit, deletion, revision, or clarification to a BPM, including any attachments and exhibits to a BPM that are expressly incorporated by reference,¹ must be initiated by submittal of a BPM Proposed Revision Request (PRR), except as specifically provided in Sections 22.4.3 and 22.11 of the CAISO Tariff. Market Participants and the CAISO itself are required to utilize the process described herein in proposing changes to any of the CAISO's BPMs.

As set forth in Sections 22.4.3 and 22.11 of the CAISO Tariff, the CAISO may take expedited action without complying in advance with the BPM PRR process to change or clarify a provision of a BPM in emergency circumstances as necessary. The CAISO will 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 will promptly issue a Market Notice and submit a BPM PRR request to examine the necessity of change and its impacts, in accordance with Section 2.6.

The intent of the BPM Change Management Process is to facilitate the exchange of ideas and information regarding maintenance and modifications to CAISO's BPMs in as transparent a way as possible so decisions can be made in light of all relevant information and in consideration of the effect of proposed changes on Market Participants. While the variety of issues cannot easily fit into a single approach, any BPM Change Management engagement shall endeavor to:

¹ Attachments and Exhibits that are not expressly incorporated by reference are intended for informational purposes only.

1. Provide a forum for management and stakeholders to understand each other and their respective views in an attempt to make better decisions,
2. Communicate participants' proposals, positions and options in a transparent manner as record of the stakeholder process.
3. Provides feedback on how the CAISO arrived at final solution including feedback to stakeholder written comments
4. Communication among all parties though the use of numerous tools including postings, e-mail, meetings, conference calls, one-on-one meetings, focus groups and the exchange of written documents.
5. Stakeholders provide input in defining the problem and proposing solutions for those issues which affect them. The CAISO will have primary responsibility and authority for determining the final recommendation.
6. The CAISO develops its recommendation based on the dialogue among participants in the early stages of the process.
7. Proposal may be offered as the CAISO's initial thoughts on an approach in order to begin discussion; this should not reflect a "position."

2.2 *BPM Change Management Coordinator*

The BPM Change Management Coordinator is an identified employee of the CAISO with responsibility for ensuring that PRRs are processed and reviewed in accordance with the provisions set forth in this BPM. The BPM change management coordinator shall also be responsible for submitting written reports to the CAISO Governing Board at each regularly scheduled Board meeting. Submitted written reports will indicate 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, with the positions of stakeholders, and any decision on appeal. These reports will also be included as directed by the Federal Energy Regulatory Commission (FERC) in the quarterly reports on Market Redesign and Technology Upgrade (MRTU) that will be submitted to FERC during initial MRTU operation.

2.3 *Entities Authorized to Submit a BPM Revision Request*

The following entities may submit a BPM PRR:

1. Any Market Participant;
2. Local Regulatory Authority;
3. CAISO management; and
4. Any other entity that meets the following qualifications:

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- 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 BPMs.

2.4 BPM Revision Procedure

2.4.1 Review and Posting of BPM Proposed Revision Requests

BPM PRRs shall be submitted electronically to the CAISO by completing the designated form provided on the CAISO Website. The CAISO shall provide an electronic return receipt response to the submitter upon receipt of the BPM PRR.

The BPM PRR shall include the following information:

1. Description of requested revision;
2. Reason for the suggested change [including a statement of “why” it is important];
3. Impacts and benefits of the suggested change on the CAISO Market structure, CAISO operations, and Market Participants, to the extent that the submitter may know this information;
4. A PRR Impact Analysis (PRRIA) (applicable only for a BPM PRR submitted by CAISO management);
5. List of affected BPM sections and subsections;
6. General administrative information (organization, contact name, etc.); and
7. Suggested language for the requested revision.

The CAISO shall review the BPM PRR for completeness and shall notify the submitter, within ten (10) Business Days of receipt, if the BPM PRR is incomplete, including the reasons for such status. The CAISO may provide information to the submitter to correct the BPM PRR and render it complete. An incomplete BPM PRR may 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 within two Business Days after it is completed or corrected.

2.4.2 Withdrawal of a BPM Proposed Revision Request

Upon notice to the BPM Change Management Coordinator, the submitter of a BPM PRR may withdraw the BPM PRR at any time. If the BPM PRR has been posted on the CAISO Website, the CAISO shall post a notice of the submitter's withdrawal of a BPM PRR on the CAISO Website within five (5) Business Days after receipt of the submitter's notice to the BPM Change Management Coordinator. However, if the CAISO or any other authorized submitter believes the PRR should receive further consideration, that entity may adopt the BPM PRR and become the submitter of record by providing notice to the BPM Change Management Coordinator within five (5) Business Days.

2.4.3 Types of BPM PRRs

Each BPM PRR shall be preliminarily classified by the BPM Change Management Coordinator as either a Category A or Category B/C. After further consultation with internal CAISO business units, the submitter (if not the CAISO) and representatives from potentially affected stakeholders in the PRR review process, the PRR may be reclassified as appropriate. . Types of BPM PRRs include:

1. Category A - Clarifications of existing BPM language, grammatical errors and or revisions with minor significance.
In the event the CAISO receives no comments or no adverse comments within the specified time frame, the CAISO will include the proposed changes [if reasonably acceptable to the CAISO] before the next BPM Change Management meeting. These changes may be placed into effect at any time after the comment period expires.
2. Category B -- Revisions of substantial significance or changes to CAISO or Market Participants' systems.
For proposals falling in this category, 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.
3. Category C -- Revisions implementing significant new CAISO policies and/or requiring revisions to the CAISO Tariff.

Significant proposed revisions may fall outside the scope of a proposed change to a BPM and may require alternative treatment. For proposals falling in this category, the CAISO will, unless urgent or emergency circumstances exist, delay implementation until after the next regularly scheduled BPM Change Management meeting. If the CAISO concludes that a Category C PRR

cannot be implemented without an amendment to the CAISO Tariff, the CAISO will provide a written explanation and indicate its support for or against the need or appropriateness of a tariff amendment. The written explanation shall also indicate a lead department or business unit within the CAISO that would have responsibility for leading any stakeholder process necessary for the tariff amendment.

2.4.4 BPM Change Management PRR Review and Action

Any interested stakeholder or CAISO management may comment on the posted BPM PRR. To receive consideration, comments must be delivered electronically to the CAISO using the form found on the CAISO Website and within ten (10) Business Days or otherwise as specified in a Market Notice. Comments submitted in accordance with the instructions in the Market Notice and on the CAISO Website shall be posted to the CAISO Website within two (2) Business Days of submittal.

The CAISO will establish a regularly occurring monthly BPM Change Management meeting to discuss pending BPM PRRs with all interested stakeholders. The BPM Change Management Coordinator may also schedule special meetings on five (5) Business Days' notice between the dates of the established monthly meetings if circumstances require expedited consideration. Following any meeting to consider pending BPM PRRs and subject to the standards set forth in Section 2.4.3, the BPM Change Management Coordinator shall issue a recommendation for action on each pending BPM PRR to:

1. Facilitate further open meeting discussions on the submitted BPM PRR at a subsequent stakeholder meeting;
2. Approve the BPM PRR as submitted or modified;
3. Approve the BPM PRR as submitted or modified and forward to CAISO senior management for consideration and possible approval, rejection or referral;
4. Defer action on the BPM PRR;
5. Refer the BPM PRR an appropriate CAISO business unit for an Impact Analysis; or
6. Reject the BPM PRR.

In issuing a recommendation, the BPM Change Management Coordinator shall consider public comments submitted to the CAISO Website and at the BPM Change Management stakeholder meetings. Within five (5) Business Days after the BPM Change Management Coordinator recommends action to approve, approve with modifications, or reject the BPM PRR, the BPM

Change Management Coordinator shall issue a PRR Recommendation Report reflecting the recommendation and post the same to the CAISO Website. The PRR Recommendation Report shall contain the following items:

1. Identification of the BPM PRR submitter;
2. Modified BPM language proposed by the BPM Change Management Coordinator;
3. Identification of the authorship of comments;
4. Action: recommendation for approval or approval with modified language, rejection, or referral;
5. Statement of apparent requirements of the BPM PRR such as;
 - a. Basic language change;
 - b. Language clarification;
 - c. Apparent changes requiring further PRR Impact Analysis as described in Section 2.4.6.
6. Priority and rank for any BPM PRR requiring a CAISO system change;
7. Proposed effective date(s) of the BPM PRR; and
8. Other recommended actions: approval or approval with modified language.

The PRR Recommendation Report shall reflect commenters' perspectives and/or positions and explain whether comments resulted in any proposed modification to the PRR and, if not, why.

2.4.5 Comments to the BPM Change Management Coordinator's PRR Recommendation Report

Any interested Market Participant, state agency, or CAISO management may comment on the BPM Change Management Coordinator's PRR Recommendation Report. To receive consideration, comments must be delivered electronically to the CAISO in the designated format consistent with the Market Notice or on the CAISO Website, within ten (10) Business Days of the Report posting or otherwise as specified in a Market Notice. Comments submitted shall be posted to the CAISO Website. Any comments will be reviewed at the next regularly scheduled BPM Change Management meeting, or sooner at a specially scheduled meeting if circumstances warrant expedited consideration.

2.4.6 BPM Proposed Revision Request Impact Analysis

BPM PRRs that will, if accepted, have impacts on CAISO systems may require a PRR Impact Analysis (PRRIA). The PRRIA must assess the impact of the proposed BPM PRR on CAISO

computer systems, CAISO operations, the CAISO Market, Market Participants, or business functions and shall contain the following information:

1. An estimate of any cost and budgetary impacts to the CAISO for both implementation and on-going operations, stated separately for each;
2. The estimated amount of time required to implement the revised BPM PRR and its resulting effect, if any, on operation of the CAISO Markets;
3. The identification of alternatives to the original proposed language that may result in more efficient implementation; and
4. The identification of any manual workarounds that may be used as an interim solution and estimated costs of the workaround.

Upon receipt of a BPM PRR submitted by any entity other than the CAISO, as necessary, the CAISO shall perform an initial evaluation of the impact on the CAISO and include the evaluation in the CAISO's comments. The initial evaluation will provide the BPM Change Management Coordinator with guidance as to whether the BPM PRR will impact CAISO systems and what computer systems, operations, or business functions could be affected by the BPM PRR as submitted. The CAISO shall post its comments prior to the BPM Change Management Coordinator's initial review of the BPM PRR, if applicable.

After initial review and posting of the BPM Change Management Coordinator's PRR Recommendation Report, if requested in the PRR Recommendation Report, the CAISO shall prepare a PRRIA to identify and evaluate the required changes to the CAISO systems and staffing needs, including, but not limited to, the CAISO's market operating systems, settlement systems, business functions, operating practices, and CAISO system operations. If the CAISO has already prepared a PRRIA, then the CAISO shall instead update the existing PRRIA, if needed, to accommodate the BPM Change Management Coordinator's PRR Recommendation Report.

Unless a longer review period is warranted due to the complexity of the BPM Change Management Coordinator's PRR Recommendation Report, the CAISO shall issue the PRRIA for the BPM PRR within ten (10) Business Days after the BPM Change Management Coordinator's PRR Recommendation Report and shall post the results of the completed PRRIA on the CAISO Website. If a longer review period is required for CAISO staff to complete a full PRRIA, CAISO staff shall submit a schedule for completion of the PRRIA to the BPM Change Management Coordinator.

2.4.7 Review of Impact Analysis

After the CAISO posts the results of the PRRIA, and it has been available for comments for ten (10) Business Days or otherwise as specified in a Market Notice, it will be reviewed and discussed at the next regularly scheduled BPM Change Management meeting, or at a specially noticed meeting, if circumstances require expedited consideration. The BPM Change Management Coordinator may revise the PRR Recommendation Report after considering the information included in the PRRIA.

If the BPM Change Management Coordinator revises the PRR Recommendation Report, a revised PRR Recommendation Report shall be issued and posted on the CAISO Website. Additional comments received regarding the revised PRR Recommendation Report shall be accepted up to ten (10) Business Days prior to the next regularly scheduled BPM Change Management meeting at which the BPM PRR is scheduled for further consideration. If a longer review period is required for CAISO staff to update the PRRIA, CAISO staff shall submit a schedule for completion of the PRRIA to the BPM Change Management Coordinator.

2.4.8 BPM Change Management Final Decision

The BPM Change Management Coordinator shall publish a final decision on any BPM PRR within 10 Business Days 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.

The final decision can Adopt the recommendation in the PRR Recommendation Report as originally issued or as modified;

- a. Reverse the recommendation in the PRR Recommendation Report and make an alternative decision on the BPM PRR;
- b. Remand the PRR Recommendation Report and BPM PRR to the BPM Change Management Group with instructions; or
- c. Forward the PRR Recommendation Report to CAISO senior management or for input or approval, as appropriate.

2.4.9 Posting of Final Decision Disposing of BPM PRRs

The BPM Change Management Coordinator shall post a final decision regarding approval or rejection of a BPM PRR within two (2) Business Days after the final decision.

2.4.10 Appeal of BPM PRR Final Decision

Following the issuance of a final decision on a BPM PRR, the submitter or any affected Market Participant may submit an appeal to the CAISO for reconsideration of the final decision. Any entity eligible to submit a BPM PRR may appeal in writing within 10 Business Days of the

posting of the final decision the outcome of any BPM PRR to a committee comprising at least three CAISO executives. The CAISO committee shall meet in public session to consider public comments by the appellant and any interested stakeholder. To facilitate stakeholder planning, the CAISO will establish the composition of the Appeals Committee three (3) months in advance of that committee's meeting, and will establish alternates and a standing meeting time for the Appeals Committee to be used if needed. The primary members of the Appeals Committee shall include the CAISO Chief Executive Officer, the CAISO Vice President of External Affairs, the CAISO General Counsel. Designated alternates shall be CAISO Officers and will be used in the event of schedule or other conflicts with the primary members. The CAISO may change the meeting time within ten (10) Business Days' notice if required to accommodate schedules of the members of the Appeals Committee. The Appeals Committee hearing an issue will not include the executive sponsor of the BPM PRR on appeal, but the executive sponsor may participate in the public Appeals Committee meeting. The CAISO committee will review the appeal and publish its decision to the appealing party and to the CAISO Website. If not satisfied with the decision on appeal, the appellant may raise concerns they may have with the Board of Governors at the next regularly scheduled Board meeting during the public comment period or through a letter sent to the Governing Board prior to meeting.

2.5 Urgent Requests for BPM Revisions

Submitted BPM PRRs shall be processed utilizing normal approval timelines as set forth in Section 2.4 unless the submitter requests that the submitted BPM PRR be considered on an urgent basis. The CAISO shall attempt to be flexible to balance appropriate process and submitters' needs and circumstances on a case-by-case basis.

The entity submitting a BPM PRR may request that the submitted BPM PRR be considered on an urgent basis, but the submitter may be required to show reasonable necessity for urgent requests. The necessity for an urgent request may be based on a claim that an existing business practice described in the BPM is impairing or could imminently impair CAISO System Reliability or Market Operations, is internally inconsistent and affects a material responsibility of either the entity submitting the BPM PRR or the CAISO, or is inconsistent with the CAISO Tariff. If a submitter requests urgent status for a BPM PRR, or upon the written request of another affected Market Participant that describes the necessity for urgent requests in the same detail

required by a submitter, and the BPM Change Management Coordinator determines that such BPM PRR:

1. Requires immediate attention due to
 - a. Serious concerns about CAISO System Reliability or market operations under the unmodified language or
 - b. The crucial nature of Settlement activity conducted pursuant to any Settlement formula; and
2. Is of a nature that allows for rapid implementation without negative consequence to the reliability and integrity of the CAISO's systems or Market Operations; then

The BPM Change Management Coordinator may designate the BPM PRR for urgent consideration. The BPM Change Management Coordinator shall consider the urgent BPM PRR at its next regularly scheduled meeting, or at a special meeting called by the BPM Change Management Coordinator to consider the urgent BPM PRR.

Notice of an urgent BPM PRR pursuant to this section shall be posted on the CAISO Website. Any revisions to a BPM that take effect pursuant to an urgent BPM PRR shall be subject to a CAISO PRR Impact Analysis prepared pursuant to Section 2.4.6.

2.6 CAISO Unilateral BPM Revisions in Emergency Circumstances

The CAISO may unilaterally make and implement revisions to the BPMs in emergency circumstances, as set forth in Sections 22.4.3 and 22.11 of the CAISO Tariff. In addition to the circumstances identified in Section 22.4.3 of the CAISO Tariff, emergency circumstances are circumstances such that the CAISO determines in good faith that:

1. Failure to implement a change or clarification to a BPM on an expedited basis would substantially and adversely affect System Reliability or security or the competitiveness or efficiency of the CAISO Market, and
2. There is insufficient time to comply with the BPM PRR procedures set forth in Section 2.4.

If the CAISO requires such expedited changes in emergency circumstances, the CAISO shall promptly:

1. Solicit Market Participant input prior to evoking an emergency change if practicable,
2. Issue a Market Notice concerning such revisions, and
3. Submit a BPM PRR initiating the process described in Section 2.4.

At the next BPM Change Management meeting the BPM Change Management Coordinator shall:

1. Examine the necessity and nature of the emergency circumstances;
2. Obtain stakeholder input on the revisions;
3. Consider whether continued implementation of the revisions is appropriate;
4. Examine other alternatives;
5. Make an initial recommendation;
6. Determine a process going forward and timeline; and
7. Make other recommendations as necessary.