



# MRTU Readiness Criteria Dashboard

September 30, 2008

This Dashboard is designed to display the status of each MRTU Readiness Criteria. Readiness Criteria status is indicated by the following color codes:

- Clear: A Readiness Criterion is clear (C) if:
  - The Readiness Criterion has not begun.
- Purple: A Readiness Criterion is purple (P) if:
  - The completion or status updates are on schedule based on the specified target due date or milestone, OR
  - A mitigating action has been implemented successfully and the Readiness Criterion is back on schedule to be completed on the specified target due date.
- Orange: A Readiness Criterion is orange (O) if:
  - One or more Readiness Components in that Readiness Criterion are not complete on the specified target due date or milestone, OR
  - A Readiness Criteria has reported risks or issues that have a potential for not allowing it to be completed on the specified target due dates or milestones.
- Blue: A Readiness Criterion is blue (B) if:
  - All Readiness Components in that category are complete.

**Disclaimer:**

These readiness criteria will help the CAISO to determine the status of design elements and processes that must be in place to ensure implementation of MRTU Release 1 without undue risk to the CAISO or its Market Participants. The CAISO reserves the right to revise these criteria. The CAISO's certification of readiness to be filed with FERC 60-days prior to the proposed effective date of MRTU will be based on all information available to the CAISO including, but not limited to, status of readiness criteria, including mitigating actions, advice of Market Participants and the informed business judgment of CAISO senior management.

**Integrated Market Simulation**

**R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;**

**R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;**

**U2: 02/19/08- TBD; PPS: TBD**

MRTU Readiness Criteria Dashboard

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| BPM - 1                        | BPM                | <p>CAISO will prepare Business Practice Manuals (BPMs), 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.</p> <p>The CAISO Business Practice Manual (BPMs) will be completed and posted on the CAISO website to allow Market Participants the opportunity to review and comment on each BPM. CAISO will facilitate stakeholder review meetings to discuss critical issues. (This criterion is subject to change based on the output of the FERC Technical Conference.)</p> <p>CAISO will also establish and communicate to FERC and Market Participants a BPM change management process that describes the procedure that is used to update the BPMs after MRTU implementation.</p> |                            | 3/31/08                                   | B                       |   |                               |
|                                |                    | <p><b>BPM - 1.1</b><br/>The "Initial Version Release" BPM requirements are complete.</p>  | B                          | 1/19/07                                   |                         |   |                               |
|                                |                    | <p>1. The following "Initial Version Release" BPMs are prepared and published to the CAISO website incorporating stakeholder feedback and resolved critical issues, in preparation for Business Structure Market Simulation:</p> <ul style="list-style-type: none"> <li>- BPM for Compliance Monitoring</li> <li>- BPM for Congestion Revenue Rights</li> <li>- BPM for Definitions &amp; Acronyms</li> <li>- BPM for Market Instruments</li> <li>- BPM for Market Operations</li> <li>- BPM for Metering</li> <li>- BPM for Outage Management</li> <li>- BPM for Reliability Requirements</li> <li>- BPM for Rules of Conduct Administration</li> <li>- BPM for Scheduling Coordinator Certification and Termination</li> <li>- BPM for Settlements and Billing</li> <li>- BPM for Managing Full Network Model</li> </ul>  |                            | 5/1/06 - 7/31/06                          |                         | <p>The following BPMs were posted on 5/1/06: BPM for Definitions and Acronyms; BPM for Market Instruments; BPM for Market Operations; BPM for Settlements and Billing.</p> <p>The following BPMs were posted on 7/31/06: BPM for Compliance Monitoring; BPM for Congestion Revenue Rights; BPM for Definitions &amp; Acronyms; BPM for Market Instruments; BPM for Market Operations; BPM for Metering; BPM for Outage Management; BPM for Reliability Requirements; BPM for Rules of Conduct Administration; BPM for Scheduling Coordinator Certification and Termination; BPM for Settlements and Billing; BPM for Managing Full Network Model.</p> |                               |
|                                |                    | <p>2. Stakeholders are provided with opportunity to review, provide comments, and identify critical issues for each BPM.</p>  |                            | 7/31/06 - 8/29/06                         |                         | <p>Stakeholders were allowed to submit their questions / comments to the BPM In-Box up to 2 weeks prior to each BPM meeting. Stakeholder questions on each BPM and CAISO responses can be found at: <a href="http://www.caiso.com/186a/186ae8622e6f0.html">http://www.caiso.com/186a/186ae8622e6f0.html</a></p>   |                               |

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|                                |                    | 3. CAISO facilitates BPM review meetings for each BPM as appropriate to collect comments and discuss critical issues.   | ●                          | 8/29/06 - 10/5/06                         |                         | Seven organized BPM Stakeholder meetings occurred between 8/29/06 and 10/5/06. Details of each set of meetings that occurred, and which BPMs were covered can be found at: <a href="http://www.caiso.com/1872/1872e51451200.html">http://www.caiso.com/1872/1872e51451200.html</a>   |                               |
|                                |                    | 4. Revised Draft Version BPMs are posted to the CAISO website.  | ●                          | 1/19/07                                   |                         | <b>The following BPMs were posted on 1/19/07:</b> BPM for Compliance Monitoring; BPM for Congestion Revenue Rights; BPM for Definitions & Acronyms; BPM for Market Instruments; BPM for Market Operations; BPM for Metering; BPM for Outage Management; BPM for Reliability Requirements; BPM for Rules of Conduct Administration; BPM for Scheduling Coordinator Certification and Termination; BPM for Settlements and Billing; BPM for Managing Full Network Model. |                               |
|                                |                    | <b>BPM - 1.2</b><br><b>Subsequent BPM updates due to FERC requirements &amp; Market Simulation are further developed.</b>   | <b>B</b>                   | 8/3/07                                    |                         |  |                               |
|                                |                    | 1. Stakeholders are provided the opportunity to review, provide comments, and identify critical issues for each of the Market Simulation Release BPMs that were posted on January 19, 2007. | ●                          | 1/19/07 - 3/2/07                          |                         | A market notice was sent out on January 12, 2007 providing details to Stakeholders on how to submit comments on the revised BPMs posted on 1/19/07.  |                               |
|                                |                    | 2. CAISO hosts Compliance Process for Business Practice Manuals call.   | ●                          | 2/7/07                                    |                         | Conference call was held from 2:00 PM to 3:00 PM on 2/7/07.  |                               |
|                                |                    | 3. CAISO drafts MRTU Tariff Language and posts to CAISO website along with reconciled BPMs.   | ●                          | 4/2/07                                    |                         | All BPM revisions were posted by 6/7/07.   |                               |
|                                |                    | 4. CAISO allows stakeholders to review and comment on BPM updates.  | ●                          | 12/3/07                                   |                         | Individual BPM status can be found under the heading "BPM Completion Status Reports" at: <a href="http://www.caiso.com/17ba/17baa8bc1ce20.html">http://www.caiso.com/17ba/17baa8bc1ce20.html</a><br><br>BPMs have all been updated based on comments provided by stakeholders. As BPM modifications continue to occur, Stakeholders will have the opportunity to review and comment.   |                               |
|                                |                    | 5. CAISO holds a conference call or meeting with Stakeholders on proposed MRTU Tariff Language.   | ●                          | 4/17/07                                   |                         | BPM Tariff Language call was held from 1:00 PM - 4:00 PM on 4/17/07.   |                               |
|                                |                    | 6. CAISO files additional proposed MRTU Tariff language to support BPMs and posts revised BPMs to CAISO website.  | ●                          | 8/3/07                                    |                         | BPM Tariff Language was filed with FERC  |                               |

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|                                |                    | 7. The FERC Technical Conference held.  | ●                          | Fall 2007                                 |  | Technical Conference held 9/26 - 9/27 in Washington D.C.  |                               |
|                                |                    | 8. The CAISO complies with all FERC Technical Conference directives.<br>- Post all revised BPMs as a result of the FERC Technical Conference<br>- File proposed Tariff Language.  | ●                          | 11/15/07                                  |  | The CAISO has posted all revised BPMs onto the CAISO website as of Nov 15th and has filed proposed Tariff Language. The following is a list of the BPMs that were revised and posted: Change Management, Compliance Monitoring, Congestion Revenue Rights, Credit Management, Definitions and Acronyms, Managing Full Network Model, Market Instruments, Market Operations, Metering, Outage Management, Reliability Requirements, Scheduling Coordinator Certification & Termination, Settlements and Billing. |                               |
|                                |                    | <b>BPM - 1.3</b><br><b>CAISO BPMs are sufficiently complete for the MRTU Implementation.</b><br><br>*** Please note that BPMs marked "complete" are considered to be essentially complete; however, are subject to the outcome of the BPM Technical Conference, and any revisions required as a result of Testing or Market Simulation. | B                          | 3/31/08                                   |  | Further details on each BPM can be found under "BPM Completion Status Report" at:<br><a href="http://www.caiso.com/17ba/17baa8bc1ce20.html">http://www.caiso.com/17ba/17baa8bc1ce20.html</a>  |                               |
|                                |                    | BPM for Candidate CRR Holder Registration   | ●                          |   |  | Complete  |                               |
|                                |                    | BPM for Congestion Revenue Rights   | ●                          |   |  | Complete, revised version posted Nov 15th   |                               |
|                                |                    | BPM for Compliance Monitoring   | ●                          |   |  | Complete, revised version posted Nov 15th   |                               |
|                                |                    | BPM for Change Management   | ●                          |   |  | Complete; See Readiness Criterion BPM 1.4 for status  |                               |
|                                |                    | BPM for Credit Management   | ●                          |   |  | Complete, revised version posted on September 12th  |                               |
|                                |                    | BPM for Definitions and Acronyms  | ●                          |   |  | Complete, revised BPM posted on September 21  |                               |
|                                |                    | BPM for Managing the Full Network Model   | ●                          |   | Complete, revised version posted on Nov 15th |   |                               |
|                                |                    | BPM for Market Instruments  | ●                          |   | Complete, revised version posted on Nov 15th |   |                               |

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|                                |                    | BPM for Market Operations  | ●                          |   |                         | Complete, revised version posted Nov 15th  |                               |
|                                |                    | BPM for Metering   | ●                          |   |                         | Complete, revised version posted Nov 15th  |                               |
|                                |                    | BPM for Outage Management  | ●                          |   |                         | Complete, revised version posted on Nov 15th   |                               |
|                                |                    | BPM for Reliability Requirements   | ●                          |   |                         | Complete, revised version posted Nov 15th  |                               |
|                                |                    | BPM for Rules of Conduct Administration  | ●                          |   |                         | Complete   |                               |
|                                |                    | BPM for Scheduling Coordinator Certification and Termination   | ●                          |   |                         | Complete, revised version posted Aug 20th  |                               |
|                                |                    | BPM for Settlements and Billing  | ●                          |   |                         | Complete, Attachment E posted on Nov 12th. * Going forward, updates and changes to this BPM will be tracked on Criterion STL 1.1.1.  |                               |
|                                |                    | <b>BPM - 1.4</b><br>CAISO establishes the BPM Change Management Process; communicates the process to stakeholders; and files the BPM Change Management Process with FERC. The process establishes the procedure that is used to update the BPMs after market launch. | B                          | 8/3/07                                    |                         | - Revised BPM for Change Management Process was posted on June 26.<br>- Information on the Change Management Process can be found at: <a href="http://caiso.com/17ba/17baa8bc1ce20.html">http://caiso.com/17ba/17baa8bc1ce20.html</a><br>- FERC Filing over Change Management Process occurred on August 3rd.<br>- Process will go into effect at Go Live.<br><br>All updates to the BPM Change Management Process as a result of the FERC Technical Conference on Sept 27th have been posted onto the CAISO website as of Nov 15th. |                               |

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| CRR-1                          | CRR                | CAISO will conduct a market simulation phase, called the Congestion Revenue Right (CRR) Dry Run, to provide market participants and CAISO with the opportunity to step through the process of allocating and auctioning CRRs in a manner that will be similar to the process that will be used to support MRTU implementation. |  | 3/30/07                                   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> |                            |   |
|                                |                    | <b>CRR - 1.1</b><br>CRR Participants meet the eligibility requirements to participate in the CRR Dry Run.  | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> | 8/30/06                                   |  |                            |   |
|                                |                    | 1. Participants complete CRR training.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 6/29/06                                   |  |                            |   |
|                                |                    | 2. Participants receive security digital certificates.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 8/30/06                                   |  |                            |   |
|                                |                    | <b>CRR - 1.2</b><br>CRR Participants provide CAISO with valid, annual CRR nominations for the CRR Dry Run.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> | 8/30/06                                   |  |                            |   |
|                                |                    | <b>CRR - 1.3</b><br>CAISO completes the annual and monthly CRR allocations for the CRR Dry Run.  | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> | 2/15/07                                   |  |                            |   |
|                                |                    | 1. New CRR Participants meet eligibility requirements.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 9/30/06                                   |  |                            |   |
|                                |                    | 2. CRR Participants submit CRR nominations to CAISO.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 10/15/06                                  |  |                            |   |
|                                |                    | 3. CAISO runs the CRR allocation markets and publishes results.  | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 2/15/07                                   |  |                            | Annual results of the allocation market were published during 12/06. Monthly results from the allocation market were published on 1/16/07. This Criterion finished early. |
|                                |                    | <b>CRR - 1.4</b><br>CAISO completes the annual and monthly CRR auctions for the CRR Dry Run.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> | 2/15/07                                   |  |                            |   |
|                                |                    | 1. New CRR Participants meet eligibility requirements.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 9/30/06                                   |  |                            |   |
|                                |                    | 2. CRR Participants submit CRR bids to CASIO.  | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 10/15/06                                  |  |                            |   |
|                                |                    | 3. CAISO runs CRR auction markets and publishes results.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">●</span> | 2/15/07                                   |  |                            | Monthly results of the auction market were published on 1/16/07. Annual results of the auction were published on 1/26/07. This Criterion finished early.                  |
|                                |                    | <b>CRR - 1.5</b><br>CAISO collects the results of the CRR Dry Run, prepares an informational report, and submits it to FERC.   | <span style="color: blue; font-weight: bold; border: 1px solid blue; border-radius: 50%; padding: 2px;">B</span> | 3/30/07                                   |  |                            | Informational Report over Dry Run can be found at:<br><a href="http://www.caiso.com/1bb4/1bb4f3562b4c0.pdf">http://www.caiso.com/1bb4/1bb4f3562b4c0.pdf</a>               |

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| CRR - 2                        | CRR                | CAISO will complete the integration testing of the CRR output services. The test results will pass the Quality Review Board review.   |                            | 9/1/08                                    | B                       | <p>- All CRR Broadcast Services were successfully triggered to an SOA (Service Oriented Architecture) Bus.</p> <p>- CRR Release 1 successfully passed Quality Review Board FAT and SAT Test review.</p> <p><b>August 2008 Update:</b><br/>Testing for CRR broadcast services to OASIS is complete with 1 outstanding postponed defect regarding GMT timestamp. There is a workaround in place and the GMT timestamp code will be postponed until after the CRR Production Auction market in Nov 2008</p> <p>Testing CRR broadcast services with SAMC is complete except for CC6798 which should be completed by September.</p> <p><b>September 2008 Update:</b><br/>Integration test of all CRR Broadcast services with SaMC are complete.</p> |                               |
| CRR - 3                        | CRR                | CAISO will complete the first annual process for allocation of 1-Year CRRs and LT CRRs and for auction of 1-Year CRRs, and first monthly allocation and auction of monthly CRRs.                                    |                            | 1/27/09                                   | P                       |  |                               |
|                                |                    | CRR - 3.1<br>CRR participants meet the eligibility requirements to participate in the CRR production market.  | B                          | 10/1/07                                   |                         |  |                               |
|                                |                    | 1. CRR Participants receive security digital certificates if not already received from CRR Dry Run.   | ●                          | 6/29/07                                   |                         | All certificates requested by the Participants have been received for allocation.  |                               |
|                                |                    | 2. CRR System is populated with collateral data from the financial group.   | ●                          | 12/1/07                                   |                         | The CRR System was populated with collateral data from the financial group on 12/6/07.   |                               |
|                                |                    | CRR - 3.2<br>The first production run of 1) the annual process for allocation of 1-Year CRRs and LT CRRs, and for auction of 1-Year CRRs; and 2) first monthly allocation and auction of monthly CRRs are complete. | P                          | 1/27/09                                   |                         |  |                               |
|                                |                    | 1. Completion of Annual and Long Term Allocation Process  | ●                          | 12/3/07                                   |                         | <p>- Tier 1 market: 9/4 - 9/14 - complete</p> <p>- Tier 2 market: 10/5 - 10/9 -complete</p> <p>- Tier LT market: 10/29 - 10/31 - complete</p> <p>- Tier 3 market: 11/21 - 11/27 - complete</p>   |                               |

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|                                |                       | 2. Completion of Annual Auction Process   |                            | 12/18/07                                  |                         | - Annual Auction: 12/11 - 12/13<br>The Annual Auction Process completed on 12/20/07.  |                               |
|                                |                       | 3. Start of Monthly Allocation Process  |                            | 12/1/08                                   |                         |   |                               |
|                                |                       | 3.1 Complete and post Monthly Allocation results  |                            | 1/27/09                                   |                         |   |                               |
|                                |                       | 4. Start of Monthly Auction Process   |                            | 12/1/08                                   |                         |   |                               |
|                                |                       | 4.1 Complete and post Monthly Auction results   |                            | 1/27/09                                   |                         |   |                               |
| CRR - 4                        | CRR                   | CAISO will make its compliance filing with the FERC's Long-Term Transmission Rights (LT FTR) Final Rule.  |                            | 1/29/07                                   |                         | Filing can be viewed at:<br><a href="http://www.caiso.com/1845/1845dca750770.html">http://www.caiso.com/1845/1845dca750770.html</a> under the name: "CAISO Filing to FERC on Long Term Transmission Rights - 29-Jan-2007" |                               |
| ENT - 1                        | Enterprise Systems    | CAISO will verify that its enterprise systems meet availability requirements. This will be demonstrated by establishing Service Level Agreements (SLAs) for IT support, development, and implementation of monitoring tools and achieving availability requirements during the Pre-Production Simulation (PPS). |                            | Exit PPS                                  |                         |   |                               |
|                                |                       | ENT - 1.1<br>Service Level Agreement (SLA) documents are created and signed off by the MRTU IT Director.  |                            | Entry PPS                                 |                         | Initial Drafts completed, turned over to the Operations Information Technology (OIT) team.  |                               |
|                                |                       | ENT - 1.2<br>Monitoring tools are built into each enterprise system and are used to produce performance and availability reports during PPS market simulation.  |                            | Entry PPS                                 |                         | - OS and System Monitoring completed<br>- Application Monitoring deployment in progress   |                               |
|                                |                       | ENT - 1.3<br>Each enterprise system meets its minimum availability requirement during the PPS market simulation.  |                            | Exit PPS                                  |                         | Results will be available after the close of PPS.   |                               |
| ECA - 1                        | External Control Area | CAISO, market participants, and external control areas agree on the new interchange and e-tagging procedures, being developed as part of the Scheduling and Tagging Next Generation (STiNG) project, including the new Control Area Scheduler (CAS).  |                            | 1/23/07                                   |                         |   |                               |
|                                |                       | ECA - 1.1<br>100% of tags applicable to CAISO are linked by market reservation to Control Area Scheduler (CAS).   |                            | 1/23/07                                   |                         | 100% of the tags applicable to CAISO from the Participants are being linked through market reservation to CAS.  |                               |
|                                |                       | ECA - 1.2<br>Control Area Scheduler (CAS) is fully operational and in production.   |                            | 1/23/07                                   |                         | Control Area Scheduler officially went live on Tuesday, 2/13/07 at 10:00pm.   |                               |
| GO - 1                         | Grid Ops              | CAISO grid operating procedures will be created or updated to reflect MRTU implementation. The new and revised grid operating procedures will be reviewed with market participants and external control areas.  |                            | 1 Day Prior to Go-Live                    |                         |   |                               |

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|                                |                    | <p><b>GO - 1.1</b><br/>CAISO Grid Operating Procedures and Emergency Procedures are reviewed. New procedures are created or existing procedures are revised for training purposes to reflect MRTU implementation.</p> |    | 5/1/08                                    |   | <p>Of 352 Operating Procedures:<br/>                     - 83 Operations Procedures have been identified as needing revisions for MRTU.<br/>                     - 47 minor Operating Procedures<br/>                     - 32 significant Operating Procedures will be created or withdrawn.<br/>                     - 4 major Operating Procedures critical for Operations Training.</p> <p>All Operating Procedures are complete:<br/>                     - 4 out of 4 Major Operating Procedures completed.<br/>                     - 32 out of 32 Significant Operating Procedures completed.<br/>                     - 47 out of 47 Minor Operating Procedures completed.</p> |                               |
|                                |                    | <p><b>GO - 1.2</b><br/>CAISO Grid Operating Procedures and Emergency Procedures are provided to Market Participants and External Control Areas.</p>   |    | 5/1/08                                    |   | <p>The following are the 4 major operating procedures:<br/>                     - M-401 Day Ahead Market<br/>                     - M-402 Exceptional Dispatch<br/>                     - M-403 Real Time Market<br/>                     - S-326 Southern Cities</p> <p>April Update:<br/>                     All Major Operating Procedures are complete:<br/>                     M-401 Day-Ahead Market<br/>                     M-402 Exceptional Dispatch<br/>                     M-403 Real-Time Market</p>  |                               |
|                                |                    | <p><b>GO - 1.3</b><br/>The revised CAISO Grid Operating Procedures and Emergency Procedures are posted on the CAISO website.</p>  |  | 1 Day Prior to Go-Live                    |   | All procedures have been completed and are ready for posting.   |                               |
| INF-1                          | Infrastructure     | CAISO will meet the MRTU system architecture requirements, including information monitoring processes and tools and availability and stability standards during market simulations.                                   |   | Exit PPS                                  |  |   |                               |
|                                |                    | <p><b>INF - 1.1</b><br/>Infrastructure monitoring tools produce logs of system performance and availability during market simulations.</p>  |  | Exit PPS                                  |   |   |                               |

Integrated Market Simulation

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
 R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
 U2: 02/19/08 - TBD; PPS: TBD

### MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category | Readiness Criterion  | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments   | Issues and Mitigating Actions              |
|--------------------------------|--------------------|--|----------------------------|---|-------------------------|--|--|
|                                |                    | 1. Weekly up-time reports reflect that system infrastructure is available for at least the time required during each market simulation.  | ●                          | Exit PPS                                  |                         | - Monitoring agents deployed<br>- Report development in process<br><br>Daily Uptime/Availability Reports are generated for each Market Simulation.                         |  |
|                                |                    | <b>INF - 1.2</b><br>Production environment is available and stable for 7 consecutive days (24 hours a day), excluding approved outages (emergency only), during the market simulations.  | P                          | Exit PPS                                  |                         | The Production environment is available to support Market Simulations. Any required changes will result from Market Simulation testing and/or hardware modifications.      |  |
|                                |                    | <b>INF - 1.3</b><br>Archive capability is planned, tested, and accomplished in the MRTU infrastructure.  | P                          | Exit PPS                                  |                         |  |  |
|                                |                    | <b>INF - 1.4</b><br>Backup/Recovery and Failover/Fallback of MRTU infrastructure is planned, tested, and accomplished.   | P                          | Exit R3 Update 2                          |                         |  |  |
|                                |                    | 1. Backup/Recovery of MRTU infrastructure is planned, tested and accomplished.   | ●                          | Exit R3 Update 2                          |                         |  |  |
|                                |                    | 2. Failover/Fallback of MRTU infrastructure is planned, tested and accomplished.   | ●                          | Exit R3 Update 2                          |                         | - Creating Testing Environment<br>- Developing Test Cases  |  |
|                                |                    | <b>INF - 1.5</b><br>The final production environment is configured for Go-Live.  | P                          | Entry PPS                                 |                         | The Production environment is available to support Market Simulations. Reconfiguration may occur at the termination of the final Market Simulation in preparation for PPS. |  |
|                                |                    | <b>INF - 1.6</b><br>Release management processes (framework/structure) are in place prior to PPS market simulation around any changes to the code or production environment.   | P                          | Entry PPS                                 |                         | Process identification in progress.  |  |
| LMP-Testing-1                  | LMP Testing        | CAISO will perform Location Marginal Pricing (LMP) testing. The purpose of LMP testing will be to ensure that the LMP and Ancillary Service Marginal Pricing (ASMP) calculations are accurate using data and results compiled from market simulation activities, analysts track testing, and, to the extent possible, LMP Study 4. |                            | Entry PPS                                 | P                       |  |  |
|                                |                    | <b>LMP Testing - 1.1</b><br>LMP and ASMP Validation in Controlled Test Environment   | P                          | 7/31/08                                   |                         | LMP Testing 1.1.1 -1.1.3 combined comments   | LMP Testing 1.1.1 -1.1.3 combined comments |
|                                |                    | 1. LMP for a generating resource, participating load, system resource, and non-participating demand are appropriately (i) equal to, (ii) above, or (iii) below the resources bid, depending on whether the resource schedule is constrained by specific conditions.  | ●                          | 7/31/08                                   |                         | <b>September 2008 Update:</b><br>As of September 24, 2008 the Analysis Track Testing (ATT) effort has completed review of 100% of test cases identified for                |  |

#### Integrated Market Simulation

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
U2: 02/19/08 - TBD; PPS: TBD

### MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier   | Readiness Category | Readiness Criterion   | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments  | Issues and Mitigating Actions |
|--|--------------------|---|----------------------------|---|-------------------------|---|-------------------------------|
|  |                    | 2. ASMP for a generating resource, participating load, and system resources are appropriately (i) equal to, (ii) above, or (iii) below the resources Ancillary Service (AS) bid, depending on whether the resource AS schedule is constrained by specific conditions. | ●                          | 7/31/08                                   |                         | IFM, RTPD, and RTID applications.. Residual analyses continue to be performed to evaluate new software patches intended to resolve specific observations from previous ATT testing. <ul style="list-style-type: none"> <li>• Remaining Steps:                         <ol style="list-style-type: none"> <li>1. Resolve all outstanding validation items : expected completion by late-September 2008.</li> <li>2. Publish Final Report : Late Mid-October, 2008</li> </ol> </li> </ul> As LECG notes in the draft ATT report, "the issues that have been identified but not yet completely resolved do not appear to involve any fundamental problems with the price calculations, unit commitment or dispatch". While resolution of these outstanding items continues, NO MITIGATION is required for the continued deployment of MRTU market applications. As a result, this criteria is On Track and pending release of the Final Report, it will be marked as complete by the end of October. |                               |
|  |                    | 3. Regional Ancillary Service Shadow Prices (RASSPs) are calculated correctly such that: Reg Up Price >= Spin Price >= N-Spin Price, and RASSPs are calculated correctly with AS Cascading activated.   | ●                          | 7/31/08                                   |                         |   |                               |
| LMP Testing - 1.2<br>LMP and ASMP Validation under Market Simulation Environment |                    |   | B                          | Entry PPS                                 |                         | LMP Testing 1.2.1 -1.2.2 combined comments  |                               |

MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category | Readiness Criterion   | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments  | Issues and Mitigating Actions |
|--------------------------------|--------------------|---|----------------------------|---|-------------------------|---|-------------------------------|
|                                |                    | 1. LMP for a generating resource, participating load, system resource, and non-participating demand are appropriately (i) equal to, (ii) above, or (iii) below the resources bid, depending on whether the resource schedule is constrained by specific conditions. |                            | Entry PPS                                 |                         | <p>- Testing was accomplished with the start of IMS Release 2.</p> <p>- Daily Price Validation Processes for all markets has begun with IMS R3 and conclude prior to the start of PPS.</p> <p>- The goal of this effort is to accomplish comprehensive price validation for all markets within the price correction time horizon (8 days).</p> <p><b>August 2008 Update:</b><br/>CAISO is validating each IFM Market Simulation solution on a daily basis. The CAISO has begun including market validation status report information in the daily Market Simulation summary emails to participants in the market trials, and is discussing a weekly summary of these activities each Friday morning as a part of the Market Simulation daily briefing to participants in the market trials</p> <p><b>September 2008 Update:</b><br/>CAISO is validating each IFM Market Simulation solution on a daily basis. Validation of RT cases has also being performed on a daily basis. Currently this includes (a) examination of key indicators of anomalous conditions and results, from which detailed analysis is conducted to identify root causes.</p> <p><b>Remaining Steps</b><br/>While the readiness criteria stated herein is accomplished, CAISO continues to expand and enhance this process to include more automated validation analyses of real timemarkets, and increase the efficiency with which market results are evaluated</p> |                               |
|                                |                    | 2. ASMP for a generating resource, participating load, and system resources are appropriately (i) equal to, (ii) above, or (iii) below the resources AS bid, depending on whether the resource AS schedule is constrained by specific conditions.                   |                            | Entry PPS                                 |                         | <p>CAISO is validating each IFM Market Simulation solution on a daily basis. Validation of RT cases has also being performed on a daily basis. Currently this includes (a) examination of key indicators of anomalous conditions and results, from which detailed analysis is conducted to identify root causes.</p> <p><b>Remaining Steps</b><br/>While the readiness criteria stated herein is accomplished, CAISO continues to expand and enhance this process to include more automated validation analyses of real timemarkets, and increase the efficiency with which market results are evaluated</p>  |                               |
| LMP-PRD - 1                    | LMP Production     | CAISO will develop and implement the Locational Marginal Pricing (LMP) validation tools, processes, and procedures necessary to support MRTU implementation.  |                            | 11/1/08                                   |                         |   |                               |

Integrated Market Simulation

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
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MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category | Readiness Criterion   | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments  | Issues and Mitigating Actions |
|--------------------------------|--------------------|---|----------------------------|---|-------------------------|---|-------------------------------|
|                                |                    | <p><b>LMP Production - 1.1</b><br/>                     The LMP tool is operational and 100% of processes and procedures are completed.</p>   | P                          | 11/1/08                                   |                         | <p><b>August 2008 Update:</b><br/>                     Work continues on the SAS code, with frequent updates from LECC. IT and Market Ops have completed performance tests of the tool in the production environment and are analyzing the results. Work continues on the output viewer, and SAS consultants have been given requirements for the Kick Off controller.</p> <p><b>September 2008 Update:</b><br/>                     Significant progress is being made during the month of September. All tasks are nearing completion. The goal is still to have a workable system by 10/1, with a full completion by 11/1.</p> |                               |
| MKS - 1                        | Market Services    | CAISO will prepare an assessment of the MRTU market systems' effectiveness when responding to instances where the demand bids exceed the supply bids and post on the CAISO website. |                            | Exit Update 2                             | P                       | <p><b>August 2008 Update:</b><br/>                     This Readiness Criterion is reflected in Scenario 10 of the IMS Scenario Executions. This scenario ran for trade date 9/20/08 and the preliminary results are available for Market Participant review.<br/> <a href="http://www.caiso.com/204e/204e785f5d300.pdf">http://www.caiso.com/204e/204e785f5d300.pdf</a>.</p>   |                               |

**Integrated Market Simulation**

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
 R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
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MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category | Readiness Criterion  | Criterion Component Status  | Target Due Date / Market Simulation Phase | Overall Category Status   | Documentation and Comments   | Issues and Mitigating Actions |
|--------------------------------|--------------------|--|---|---|---|--|-------------------------------|
| MKS - 2                        | Market Services    | CAISO will develop post implementation evaluation criteria, including MRTU performance and operational issues, collaboratively with stakeholders for inclusion in CAISO's post-implementation performance reports. |   | 7/31/08                                   |    | <p>Two Stakeholder meetings have been held to identify the type criteria that would be included on post implementation reports.</p> <p>The CAISO has developed a set of MRTU Market Performance Metrics to be used in the Post Implementation evaluation report. These metrics can be found on the CAISO website on the following link: <a href="http://www.caiso.com/179d/179dbce22760.html">http://www.caiso.com/179d/179dbce22760.html</a>. The CAISO is working on compiling the list of post-evaluation criteria and will post it onto the CAISO website.</p> <p><b>July 2008 Update:</b><br/>The CAISO is in the final stages of finalizing the list of reporting metrics for the Post Implementation quarterly report.</p> <p>Note: The target date was changed to reflect additional items to complete in the reporting metrics.</p> <p><b>September 2008 Update:</b><br/>The CAISO has established post implementation reporting metrics to be filed on a quarterly basis 30 days after the first quarter of MRTU implementation.</p> |                               |
| MS - 1                         | Market Systems     | CAISO will create support, monitoring, and availability requirements for the MRTU market systems, including the establishment of Build Documents, Run Books and application monitoring tools.                      |   | Exit PPS                                  |  |  |                               |
|                                |                    | MS - 1.1<br>Build Documents and Run Books are created and signed off.  |  | Entry PPS                                 |   | Process for creating Build Docs and Run Book requirements in progress.   |                               |
|                                |                    | MS - 1.2<br>Monitoring tools are integrated and functioning in each Market System and are used to produce performance and availability logs during the Pre-Production Simulation (PPS) market simulation phase.    |  | Entry PPS                                 |   | Application monitoring in progress   |                               |
|                                |                    | 1. The monitoring tool is integrated with the Settlement and Market Clearing (SaMC) system.  |  | Entry PPS                                 |   | Application monitoring in progress   |                               |
|                                |                    | 2. The monitoring tool is integrated with the Client Management Repository (CMR) system.   |  | Entry PPS                                 |   | Application monitoring in progress   |                               |
|                                |                    | 3. The monitoring tool is integrated with the Scheduling Infrastructure Business Rules (SIBR) system.  |  | Entry PPS                                 |   | Application monitoring in progress   |                               |
|                                |                    | 4. The monitoring tool is integrated with the Integrated Forward Market (IFM) system.  |  | Entry PPS                                 |   | Application monitoring in progress   |                               |

Integrated Market Simulation

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
U2: 02/19/08 - TBD; PPS: TBD

### MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category | Readiness Criterion   | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments   | Issues and Mitigating Actions |
|--------------------------------|--------------------|---|----------------------------|---|-------------------------|--|-------------------------------|
|                                |                    | 5. The monitoring tool is integrated with the Real-Time Market (RTM) system.  | ●                          | Entry PPS                                 |                         | Application monitoring in progress   |                               |
|                                |                    | 6. The monitoring tool is integrated with the Portal system.  | ●                          | Entry PPS                                 |                         | Application monitoring in progress   |                               |
|                                |                    | 7. The monitoring tool is integrated with the Market Quality System (MQS) system.   | ●                          | Entry PPS                                 |                         | Application monitoring in progress   |                               |
|                                |                    | <b>MS - 1.3<br/>Each Market System has met its minimum availability requirement during the PPS market simulation phase.</b> | P                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 1. The SaMC system meets minimum availability requirement.  | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 2. The CMRI system meets minimum availability requirement.  | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 3. The SIBR system meets minimum availability requirement.  | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 4. The IFM system meets minimum availability requirement.   | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 5. The RTM system meets minimum availability requirement.   | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 6. The Portal system meets minimum availability requirement.  | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |
|                                |                    | 7. The MQS system meets minimum availability requirement.   | ●                          | Exit PPS                                  |                         | Hardware and monitoring tools deployed to measure availability during PPS. |                               |

**Integrated Market Simulation**

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
 R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
 U2: 02/19/08 - TBD; PPS: TBD







### MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category   | Readiness Criterion  | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status | Documentation and Comments  | Issues and Mitigating Actions |
|--------------------------------|----------------------|--|----------------------------|---|-------------------------|---|-------------------------------|
| MM - Study - 1                 | Market Monitor Study | CAISO will complete the Final Competitive Path Assessment (CPA) after thorough review and input from stakeholders; allowing the resulting path designations to be posted to the CAISO website.   |                            | 30 days prior to Market Launch            | P                       | <p>The first set of preliminary results were published on the CAISO website under the heading "MRTU Competitive Path Assessment White Paper": A second set of preliminary CPA results was published on 10/1/07. Both reports and all other CPA information can be found at: <a href="http://www.caiso.com/docs/2005/07/01/200507011120583480.html">http://www.caiso.com/docs/2005/07/01/200507011120583480.html</a>.</p> <p>Third set of preliminary CPA results were published on 12/19/07 under the heading: CPA for MRTU Release 3 of Preliminary Results. This report can be found at: <a href="http://www.caiso.com/docs/2005/07/01/200507011120583480.html">http://www.caiso.com/docs/2005/07/01/200507011120583480.html</a>.</p> <p>The Final CPA report will be published 1 month prior to Go-Live.</p> |                               |
| MM - Study - 2                 | Market Monitor Study | The issue raised by LECG about a potential deficiency in the preferred Local Market Power Mitigation (Direct Mitigation) will be evaluated and will be determined not to be a significant concern.   |                            | 12/31/06                                  | B                       | <p>There is no indication that the LECG concern was valid for the LMPM approach that we are taking, and therefore, is not a significant concern. Report on LMPM deficiency can be found at: <a href="http://www.caiso.com/docs/2004/10/01/2004100110503422982.html">http://www.caiso.com/docs/2004/10/01/2004100110503422982.html</a></p>   |                               |
| SIM - 1                        | Market Simulation    | In advance of each of the market simulations, CAISO, with input from stakeholders, will establish entry and exit criteria. The entry and exit criteria will be posted on the CAISO website. The entry and exit criteria from each Market Simulation will be met. |                            | Exit PPS                                  | P                       |   |                               |
|                                |                      | SIM - 1.1<br>The Rules Validation / Connectivity Simulation (RV/CS) phase entry and exit criteria are met.   | B                          | Exit RV/CS                                |                         | RV/CS Scorecard can be found at: <a href="http://www.caiso.com/18d2/18d292673ba0.pdf">http://www.caiso.com/18d2/18d292673ba0.pdf</a>  |                               |
|                                |                      | SIM - 1.2<br>The Enhanced Rules and Connectivity Inter - SC Trade (ERC-IST) simulation phase entry and exit criteria are met.  | B                          | Exit ERC-IST                              |                         | ERC/IST Scorecard can be found at: <a href="http://www.caiso.com/1bbe/1bbe8903a0f0.pdf">http://www.caiso.com/1bbe/1bbe8903a0f0.pdf</a>  |                               |

**Integrated Market Simulation**

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
U2: 02/19/08 - TBD; PPS: TBD

MRTU Readiness Criteria Dashboard

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|--------------------------------|--------------------|---|---|---|-------------------------|--|---|
|                                |                    | <b>SIM – 1.3</b><br>The Integrated Market Simulation (IMS) entry and exit Criteria are met.   |    | Exit R2                                   |                         |  |   |
|                                |                    | <b>SIM 1.3.1 Release 1</b><br>The Integrated Market Simulation (IMS) Release 1 (R1) entry and exit criteria are met.  |    | Exit R1                                   |                         | R1 successfully exited on 5/18/07. R1 entry and exit criteria can be found in the "Market Simulation Criteria Tracker" at: <a href="http://www.caiso.com/186a/186acd53cdf0.html">http://www.caiso.com/186a/186acd53cdf0.html</a><br>The R1 Scorecards can be found at: <a href="http://www.caiso.com/1bb6/1bb674bb18c90.html">http://www.caiso.com/1bb6/1bb674bb18c90.html</a> |   |
|                                |                    | <b>SIM 1.3.2 Release 2</b><br>The Integrated Market Simulation (IMS) Release 2 (R2) entry and exit criteria are met.  |    | Exit R2                                   |                         | R2 concluded on 7/20/07.<br>R2 entry and exit criteria can be found in the "Market Simulation Criteria Tracker" at: <a href="http://www.caiso.com/186a/186acd53cdf0.html">http://www.caiso.com/186a/186acd53cdf0.html</a><br>R2 Weekly Report Cards can be found at: <a href="http://www.caiso.com/1bb8/1bb8c03d28380.html">http://www.caiso.com/1bb8/1bb8c03d28380.html</a>   | Release 2 was concluded with 2 outstanding High+ issues. Both issues will be resolved prior to the start of R3.<br><b>September 2007 Update:</b><br>Both High+ issues have been resolved in preparation for IMS R3. |
|                                |                    | <b>Sim 1.4 Release 3</b><br>IMS Release 3 Entry and Exit Criteria as identified in the Market Simulation Guide Book are complete with the exit of IMS Update 2. |    | Exit Update 2                             |                         |  |   |
|                                |                    | <b>SIM 1.4.1 Release 3</b><br>Integrated Market Simulation Release 3 begins.  |  | Exit R3                                   |                         | - IMS Release began on 9/24/07.<br>- IMS R3 URL Document, Charge Code, and other information can be found at: <a href="http://www.caiso.com/1bd7/1bd7ebbc72fc0.html">http://www.caiso.com/1bd7/1bd7ebbc72fc0.html</a><br><br>IMS Release 3 concluded on 11/9/07.   |   |
|                                |                    | <b>SIM 1.4.2 Update 1</b><br>Integrated Market Simulation Update 1 begins.  |  | Exit Update 1                             |                         | IMS Update 1 began on 11/13/07.<br>-IMS Update 1 URL Document, Charge Code, and other information can be found at: <a href="http://caiso.com/1c2d/1c2d9ced4aa60.html">http://caiso.com/1c2d/1c2d9ced4aa60.html</a><br><br>IMS Update 1 concluded on 12/21/07   |   |

**Integrated Market Simulation**

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
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MRTU Readiness Criteria Dashboard

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|--------------------------------|--------------------|--|----------------------------|---|-------------------------|--|--|
|                                |                    | <p><b>SIM 1.4.3 Update 2</b><br/>Integrated Market Simulation Update 2 begins and concludes with all Exit criteria as identified in the Market Simulation Guide Book complete.</p> | P                          | Exit Update 2                             |                         | <p>IMS Update 2 began on 02/19/08.<br/>-IMS Update 2 URL Document, Charge Code and other information can be found at :<br/><a href="http://caiso.com/1c96/1c96acdd1d710.html">http://caiso.com/1c96/1c96acdd1d710.html</a></p> <p><b>September 2008 Update:</b><br/>IMS U2 continues.</p>  |  |
|                                |                    | <p>Sim - 1.5<br/>The Pre-Production Simulation (PPS) entry and exit criteria are met.</p>  | C                          | Exit PPS                                  |                         |  |  |
| MOD-1                          | Model              | CAISO will complete all updates to the Full Network Model. (FNM)   |                            | 10/31/08                                  | P                       |  |  |
|                                |                    | <p>MOD - 1.1<br/>FNM updates are completed (except for simultaneous promotion of Markets and EMS to production) utilizing integrated databases or approved workarounds.</p>        | B                          | 6/30/07                                   |                         | <p><b>October Update:</b> The FNM has been updated in the FIT environment and is scheduled to be included in the next phase of Market Simulation. All future model updates are planned to be promoted into the MRTU Market Simulation.</p>   | <p><b>Issues / Mitigating Actions:</b></p> |
|                                |                    | <p>MOD - 1.2<br/>FNM updates are completed (including simultaneous promotion of Markets and EMS to production) utilizing integrated databases or approved workarounds.</p>         | P                          | 10/31/08                                  |                         | <p><b>September 2008 Update:</b><br/>The process is expected to be tested with DB32 in the Folsom Production environment. While the environment for fully testing this process is available, the process for simultaneously promoting the model is not yet complete and the team working to mitigate these gaps. The process is expected to be tested with DB32 in the Folsom Production environment.</p> <p>*Note: Re-assessment of the impacting activities and timeline changed the target date from 10/1/08 to 10/31/08.</p> |  |

**Integrated Market Simulation**

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
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MRTU Readiness Criteria Dashboard

| Readiness Criterion Identifier | Readiness Category       | Readiness Criterion   | Criterion Component Status | Target Due Date / Market Simulation Phase | Overall Category Status   | Documentation and Comments  | Issues and Mitigating Actions |
|--------------------------------|--------------------------|---|----------------------------|---|---|---|-------------------------------|
| ORG - 1                        | Organizational Readiness | CAISO's organizational readiness tasks will be completed and the Core Business Units affirm their successful completion. Readiness tasks may include the following elements, as applicable:<br>1. Organizational Impact Assessment<br>2. Job Analysis and Design<br>3. Organizational Analysis and Design<br>4. Communication Plan<br>5. Knowledge Transfer Plan<br>6. Revised Job Descriptions<br>7. Revised Contingency Plan<br>8. Tools, Processes, and Procedures |                            | 60 Days Prior to Market Launch            |  | <b>September 2008 Update:</b><br>Core Business Units continue to be involved in current testing activities (Operations, IT). All Tier 1 Business Processes have been signed off. Application transition and sign off have been completed. Business Units continue to track remaining Go-Live activities.                      |                               |
| ORG - 2                        | Organizational Readiness | CAISO's organizational readiness tasks will be completed and the Non-Core Business Units affirm their successful completion. Readiness tasks may include the following elements, as applicable:<br>1. Communication Plan<br>2. Training<br>3. Organizational Analysis and Design<br>4. Communication Plan<br>5. Knowledge Transfer Plan<br>6. Revised Job Descriptions<br>7. Revised Contingency Plan<br>8. Tools, Processes, and Procedures                          |                            | 60 Days Prior to Market Launch            |  | Non-Core Business Units are still on track.<br><br><b>September 2008 Update:</b><br>Continued tracking the remaining activities and deliverables for all Business Units. All MRTU tasks for Non-Core Business Units are either complete or on track for completion. There are no risks for Go-Live and progress remains good. |                               |
| ORG - 3                        | Organizational Readiness | CAISO will establish the tools and environments required to support the market monitoring, enforcement, and compliance functions.   |                            | 60 Days Prior to Market Launch            |  |   |                               |

Integrated Market Simulation

R1: 4/30/07 - 5/18/07; R2: 5/29/07 - 7/20/07;  
 R3: 9/24/07 - 11/09/07; U1: 11/13/07 -12/21/07;  
 U2: 02/19/08 - TBD; PPS: TBD







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|                                |                    | <p><b>ORG - 3.1</b><br/>                     All data identified by the Department of Market Monitoring (DMM) Unit as critical for market monitoring will be stored in an organized relational database, thoroughly documented, and will be made available to the Department of Market Monitoring Unit.</p> |  | <p><b>60 Days Prior to Go-Live</b></p>    |                         | <ul style="list-style-type: none"> <li>Enterprise Data Repository (EDR): Project is near completion for critical (to DMM) six market applications, and further enhancements have been made by EDR Team. Delayed sync to market simulation has delayed development of monitoring system; however data are now available to proceed with development. Issues still exist with regular loading of data from critical apps and availability of shift factor and transmission data that must be resolved.</li> <li>Initial draft of Data Dictionary is available, but documentation is dated and incomplete, making this source of information of limited use. Need updates from vendors (esp. Siemens) and assignment of data dictionary custodianship (definitions and data dictionary application) to individuals / business unit before Go-Live.</li> </ul> | <p><b>September 2008 Update:</b> Most of the data availability issues have been either resolved or are being addressed through change requests and work-around. DMM is able to continue developing monitoring system on available data. DMM is actively working with EDR and MRTU PMO to get issues resolved.</p> |
|                                |                    | <p><b>ORG - 3.2</b><br/>                     A core set of monitoring tools (software, indices, and reports) will be completed and functional.</p>  |  | <p><b>60 Days Prior to Go-Live</b></p>    |                         | <ul style="list-style-type: none"> <li>Hardware and software has been installed, software configuration complete.</li> <li>Data identification is on track.</li> <li>Metric development and production has begun, but is behind schedule due to data and data documentation issues listed above. A base set of metrics is functional, with gaps in CRR due to late data availability and DEB diagnostics which is being addressed by change requests to EDR and additional work by DMM. Additional metrics are required as well and are being developed.</li> </ul> <p><b>September 2008 Update:</b></p> <ul style="list-style-type: none"> <li>- Building DMM data on U2 data via EDR.</li> <li>- Metric development and production continues, with testing of base metrics on U2 data and development of additional metrics under way.</li> </ul>        |   |

**Integrated Market Simulation**

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### MRTU Readiness Criteria Dashboard

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|--------------------------------|-----------------------|---|---|---|---|---|---|
|                                |                       | <p><b>ORG - 3.3</b><br/>                     A Market simulation tool (the MRTU Sandbox / DMM Tool) that is based on the actual CAISO market software will be developed and tested by the CAISO MRTU Team and made available to the Department of Market Monitoring (DMM) Unit three months prior to Go Live.</p>   |    | <b>90 Days Prior to Go-Live</b>           |   | <ul style="list-style-type: none"> <li>• DMM Sandbox is on site and is being used by DMM.</li> <li>• Reliability issues are being addressed, along with software versioning and save-case access.</li> <li>• DMM is working closely with IT and MRTU PMO on issue resolution.</li> </ul> <p><b>September 2008 Update:</b><br/>                     Two key business requirements of this system are to be able to re-run the market and re-produce the original market results and to be able to re-run with modifications to certain input data. To date, these key functions have not worked reliably and DMM is actively working with the MRTU project team to resolve it.</p> |   |
| PRT - 1                        | Participant Readiness | CAISO will monitor the "readiness" of the market participants through a series of MRTU Readiness Assessments to assist in ensuring that at least 80% of the active CAISO market participants including those that meet significant CAISO demand requirements are "Ready" prior to market launch. The assessment criteria will include people, process, and technology areas of readiness. |   | <b>30 Days Prior to Market Launch</b>     |    |   | <b>September 2008 Update:</b> Based on the June Touchpoints, MPs indicated that they were not Ready for a Fall Go-Live. A new Pre-Final Assessment is being conducted to assess MP Readiness. |
|                                |                       | <p><b>PRT - 1.1</b><br/>                     80% of the market participants including those that meet significant CAISO demand requirements complete the Initial Baseline Assessment.</p>   |   | 1/31/07                                   |   | 81% of Market Participants including those that meet significant CAISO demand completed their assessments.  |   |
|                                |                       | <p><b>PRT - 1.2</b><br/>                     80% of the market participants including those that meet significant CAISO demand requirements complete the First Follow-Up Assessment.</p>  |  | 7/31/07                                   |   | 100% of Market Participants completed their assessments.  |   |
|                                |                       | <p><b>PRT - 1.3</b><br/>                     80% of the market participants including those that meet significant CAISO demand requirements achieve a "READY" score on Final Assessment.</p>  |  | <b>30 Days Prior to Market Launch</b>     |   | The Final Assessment will be conducted in December 2008.  |   |
| PRT - 2                        | Participant Readiness | CAISO will monitor and record overall issues during each Release (and update) of Integrated Market Simulation (IMS), resolve any issues that hinder meeting the pre-defined release objectives and all for Market Participant testing time.   |   | <b>Exit R3 Update 2</b>                   |  |   |   |

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MRTU Readiness Criteria Dashboard

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|--------------------------------|--------------------|---|----------------------------|---|-------------------------|---|---|
|                                |                    | <p><b>PRT - 2.1</b><br/> <b>Release 2 - Resolution of all high priority issues that hinder the pre-defined release objectives and allow for Market Participant testing time.</b></p>  | B                          | Exit R2                                   |                         | <ul style="list-style-type: none"> <li>- Settlement files to-date have not met Market Participant expectations and requirements for testing.</li> <li>- All R2 in-scope activities are not yet available.</li> <li>- R2 Simulation concluded without simulation success from a product testing and business process point of view.</li> <li>- There were two High+ issues that prevented participants from meeting the objectives for Release 2. There were also two High+ issues with Market Test status. IMS R2 was concluded. The Market Simulation team and the PMO are currently discussing steps to resolve the open issues.</li> </ul> | <p><b>August Update:</b><br/>                 2 High + Issues (2472, 2475) interfered with Market Participants being able to successfully participate in and achieve all the goals of IMS R2. Both issues (2472, 2475) are expected to be resolved prior to the start of Release 3 towards the end of September 2007.</p> <p><b>September Update:</b><br/>                 Both SaMC-related issues (2472, 2475) have been resolved by the SaMC Team in preparation for the start of IMS R3 on 9/24/07.</p> |
|                                |                    | <p><b>PRT - 2.2</b><br/> <b>Release 3 (includes Updates 1 &amp; 2) - Resolution of Critical and Very High priority issues that hinder the pre-defined release 3 objectives and allow for Market Participant testing time.</b></p>   | P                          | Exit Update 2                             |                         | <p>All Critical and Very High issues are being resolved as they arise.</p> <p>A weekly Status and Issue report is posted on the CAISO website at :<br/> <a href="http://www.caiso.com/1bd7/1bd7ebbc72fc0.html#1c6011d9c6cd70">http://www.caiso.com/1bd7/1bd7ebbc72fc0.html#1c6011d9c6cd70</a>.</p>  |   |
| REG - 1                        | Regulatory         | CAISO's MRTU regulatory requirements will be completed, including tariff updates and filings.   |                            | 60 - 90 days prior to go-live             | P                       |   |   |
|                                |                    | <p><b>REG - 1.1</b><br/> <b>CAISO completes tariff updates and other necessary filings such as additional non- substantive compliance or 205 filings (e.g. clean ups, deferred maintenance, merger of S&amp;R tariff amendments into MRTU (e.g. Credit policy)) and files them with FERC.</b></p> | P                          | 60 - 90 days prior to go-live             |                         | <p><b>September 2008 Update:</b><br/>                 On track to file remaining substantive tariff amendments and known compliance filings 60-90 days prior to Go Live.</p>  |   |

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### MRTU Readiness Criteria Dashboard

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|--------------------------------|--------------------|--|---|---|---|--|-------------------------------|
|                                |                    | REG - 1.2<br>BPM updates are consistent with MRTU tariff and applicable FERC orders.   | <span style="background-color: #3498db; border-radius: 50%; padding: 2px 6px;">B</span> | 60 - 90 days prior to go-live             |   | Revised BPMs were posted on November 15 consistent with FERC orders and MRTU Tariff on file. Additional proposed tariff language were also filed on November 15. The CAISO has satisfied BPM-related FERC directives.  |                               |
|                                |                    | REG - 1.3<br>All substantive compliance filings and substantive 205 filings are filed with FERC.   | <span style="background-color: #3498db; border-radius: 50%; padding: 2px 6px;">B</span> | 180 Days Prior to Market Launch           |   | On 8/3/07, all compliance items that required filing no later than 180 days prior to Go Live from the 9/21, 4/20, and 6/25 FERC Orders, were submitted to FERC.<br><br>-The initial scope of this criterion was satisfied on 8/3/07. An extension on two filings (LAP Clearing, and RA Backstop) in scope for this criterion will be tracked on criterion REG - 1.1. |                               |
| SE - 1                         | State Estimator    | The purpose of the State Estimator (SE) criteria is to provide a measurement to evaluate the stability of the SE system and solution for MRTU. This category will monitor the State Estimator performance, voltage accuracy, and difference from telemetered flows on tie lines and branches that are within a predefined criteria:<br>1. SE solution must be achieved for 97% of five minute periods within a 30 day period.<br>2. SE voltage must be within 2% of metered voltage on 50 critical buses.<br>3. SE MW flow must be within 50MW or 5% of telemetered flow on 10 tie lines to outside CAISO.<br>4. SE flows on transmission lines and transformers must be within 10% of telemetered flows on all other branches within the CAISO footprint. |   | 6/1/07                                    | <span style="background-color: #3498db; border-radius: 50%; padding: 2px 6px;">B</span> |  |                               |

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|                                |                    | <p>SE - 1.1<br/>Real-Time Performance Criteria – For thirty (30) consecutive days a Valid State Estimator solution is achieved for ninety-seven percent (97%) of the five (5) minute periods within that thirty (30) day period. There are no more than three (3) consecutive five (5) minute periods without a valid solution (except when there is a planned system software migration as required by the Energy Markets project or when ICCP data is unavailable due to remote CA ICCP node errors). Valid solution are defined as one converged solution in a 5 minutes period using converge tolerance of 10 MW/ MVAR and maximum 'Zero-Injection' bus mismatch of 25 MW/MVAR inside the State Estimator solution within the California ISO Market footprint.</p> | B                          | 6/1/07                                    |                         | Criteria is complete  |                               |
|                                |                    | <p>SE - 1.2<br/>On fifty (50) buses where voltage is deemed critical, the solved State Estimator voltage is within two percent (2.0%) +/- accuracy of the metered voltage, provided that the metered voltage is measured to within the notified accuracy. The fifty (50) critical buses are defined by the California ISO with Transmission Owner input and include at least one bus in each control area that is inside the observable California ISO market footprint. All buses (elements) are inside the observable California ISO Market model.</p>   | B                          | 6/1/07                                    |                         | Criteria is complete  |                               |
|                                |                    | <p>SE - 1.3<br/>On ten (10) tie lines to outside of the California ISO System, the absolute difference between the telemetered flow and the State Estimator MW flow is within fifty (50) MW or five percent (5%) for lines 100kv and above, of the base rating. The ten (10) tie lines are defined by California ISO, with Stakeholder input. All tie lines (elements) are inside the observable California ISO Market model.</p>  | B                          | 6/1/07                                    |                         | Criteria is complete  |                               |
|                                |                    | <p>SE - 1.4<br/>On all other branches (&gt;100kV) within the California ISO footprint, the absolute difference between the telemetered flows and the State Estimator flows on transmission lines and transformers are within ten percent (10%) of the base rating. All other branches (elements) are inside the observable California ISO Market model.</p>  | B                          | 6/1/07                                    |                         | Criteria is complete  |                               |
| STL- 1                         | Settlements        | CAISO will complete a Settlement and Market Clearing (SaMC) audit. The purpose of the audit will be to ensure that the SaMC software performs as defined in the CAISO MRTU Tariff.   |                            | 1 Day Prior to Market Launch              | P                       |   |                               |
|                                |                    | <p>STL - 1.1<br/>CAISO completes the following activities to ensure consistency:</p>   | P                          | Entry PPS                                 |                         |   |                               |
|                                |                    | <p>1. Validation that the BPM for Settlements &amp; Billing is consistent with the requirements that are identified in the CAISO MRTU Tariff.</p>  | ●                          | Entry PPS                                 |                         | <p><b>August 2008 Update:</b><br/>Updated Settlements BPM was posted on the CAISO website on July 10, 2008.</p> |                               |

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MRTU Readiness Criteria Dashboard

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|                                |                    | 2. Validation of the consistency between the Settlement BPM and the SaMC design documents.  | ●                          | Entry PPS                                 |                         | This process is on going for PWCP test audit sign off.  |   |
|                                |                    | STL - 1.2<br>An audit by an independent firm that validates the consistency of the SaMC software with the CAISO tariff is completed per the tariff timeline.  | P                          | 1 Day Prior to Market Launch              |                         | The audit began in October 2007 and is scheduled to be completed by the end of IMS Update 2.  |   |
| STL- 2                         | Settlements        | CAISO will test and implement its final settlement charge code configuration. The final configuration must include required changes from market simulation activities, the Grid Management Charge (GMC), and any changes arising from the 9/21/06, 4/20/07, 5/8/08, 6/25/07, and 7/6/07 FERC Orders.  |                            | Entry PPS                                 | P                       | <b>September 2008 Update:</b><br>To date, 121 out of 125 charge codes have been validated from Bid to Bill.<br><br>A list of the charge types validated from Bid to Bill can be found on the CAISO website under the heading "Daily Charge Code Status" at:<br><a href="http://www.caiso.com/1c2d/1c2d9ced4aa60.html#1caacdff53ca0">http://www.caiso.com/1c2d/1c2d9ced4aa60.html#1caacdff53ca0</a>  |   |
| STL- 3                         | Settlements        | CAISO will publish accurate and complete settlement statements and invoices during Update 2 of the Integrated Market Simulation phase. The published statements and invoices will be consistent with market participants activities during Update 2 of the Integrated Market Simulation phase.  |                            | Exit Update 2                             | P                       | <b>September 2008 Update:</b><br>The August statements have been published. Upstream data correction process has begun and the CAISO is working on specific MP issues.<br><br>A list of the charge types validated from Bid to Bill can be found on the CAISO website under the heading "Daily Charge Code Status" at:<br><a href="http://www.caiso.com/1c2d/1c2d9ced4aa60.html#1caacdff53ca0">http://www.caiso.com/1c2d/1c2d9ced4aa60.html#1caacdff53ca0</a> | - During IMS Release 2, Participants experienced issues with the Integration Process and Charge Code Configuration.<br><br>To date, 121 charge codes were validated from Bid to Bill. It is important to note that the Settlement system still calculates all the Charge Types designed for MRTU Go Live. As IMS progresses and other CAISO systems are integrated into Market Simulation and the appropriate payloads are available, more Charge Codes will be validated from Bid to Bill. |
| TECH - 1                       | Technology         | The Technical Operational Readiness Testing (ORT) exit criteria will be satisfied and approved by the CAISO Business Owners and the Director of MRTU IT. ORT exit criteria will include:<br>1. Successful completion of high availability testing.<br>2. Fault tolerance and failover/fallback testing.<br>3. Load and Performance Testing. |                            | Entry PPS                                 | P                       | Operational Readiness Testing is in progress.   |   |
| TST - 1                        | Testing            | Performance Testing criteria for the IMS Releases 1-2 and Release 3 (including Updates 1 and 2) of Market Simulation will be met as defined in the Performance Test approach document.  |                            | Entry Update 2                            | B                       |   |   |

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|                                |                    | TST - 1.1<br>Performance Testing entry and exit criteria are met for Release 1 of the Integrated Market Simulation.  | B                          | Entry R1                                  |                         | R1 Performance testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 1.2<br>Performance Testing entry and exit criteria are met for Release 2 of the Integrated Market Simulation.  | B                          | Entry R2                                  |                         | R2 Performance testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 1.3<br>Performance Testing entry and exit criteria are met for Release 3 of the Integrated Market Simulation.  | B                          | Entry R3                                  |                         | R3 Performance testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 1.4<br>Performance Testing entry and exit criteria are met for Update 1 of Market Simulation.  | B                          | Entry Update 1                            |                         | The CAISO has performed Performance testing needed to enter into IMS Update 1. As a result, this criterion is marked as 'Complete' |                               |
|                                |                    | TST - 1.5<br>Performance Testing entry and exit criteria are met for Update 2 of Market Simulation.  | B                          | Entry Update 2                            |                         | Update 2 Performance testing is completed and has passed QRB review.   |                               |
| TST - 2                        | Testing            | Integration Testing criteria for the IMS Releases 1-2 and Release 3 (including Updates 1 and 2) of Market Simulation will be met as defined in the Performance Test approach document. |                            | Entry Update 2                            | P                       |  |                               |
|                                |                    | TST - 2.1<br>Integration Testing entry and exit criteria are met for Release 1 of the Integrated Market Simulation.<br>* This is integration testing to get into Market Simulation.    | B                          | Entry R1                                  |                         | R1 Integration testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 2.2<br>Integration Testing entry and exit criteria are met for Release 2 of the Integrated Market Simulation.<br>* This is integration testing to get into Market Simulation.    | B                          | Entry R2                                  |                         | R2 Integration testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 2.3<br>Integration Testing entry and exit criteria are met for Release 3 of the Integrated Market Simulation.<br>* This is integration testing to get into Market Simulation.    | B                          | Entry R3                                  |                         | R3 Integration testing is completed and has passed QRB review.   |                               |
|                                |                    | TST - 2.4<br>Integration Testing entry and exit criteria are met for Update 1 of Market Simulation.<br>* This is integration testing to get into Market Simulation.                    | B                          | Entry Update 1                            |                         | Update 1 Integration Testing is completed and has passed QRB review.   |                               |

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|                                |                                 | TST - 2.5<br>Integration Testing criteria are met for Update 2 of Market Simulation.  | P                          | Entry Update 2                            |                         | September 2008 Update:<br>Integration testing continues for Bid to Bill and Quality of Solution phases.   |                               |
| BUS- BA - 1                    |                                 | All MRTU systems will meet the business requirements and pass the Business Unit review. Acceptable manual workarounds will be identified for systems that do not satisfy the required business functions.<br>1. The Settlement and Market Clearing (SaMC) system will pass Business Unit review.<br>2. The Scheduling Infrastructure Business Rules (SIBR) system will pass Business Unit review.<br>3. The Integrated Forward Market (IFM) system will pass Business Unit review.<br>4. The Real-Time Market (RTM) system will pass Business Unit review.<br>5. The Operational Meter Analysis and Reporting (OMAR) system will pass Business Unit review.<br>6. The Master File will pass Business Unit review.<br>7. The Open Access Sametime Information System (OASIS) system will pass Business Unit review.<br>8. The Participant Intermittent Resource Program (PIRP) system will pass Business Unit review.<br>9. The Automated Dispatch System (ADS) system will pass Business Unit review.<br>10. The Reference Level Calculator (RLC) system will pass Business Unit review.<br>11. The Existing Transmission Contract Coordination (ETCC) system will pass Business Unit review.<br>12. The Compliance Automation Production System (CAPS) will pass Business Unit review.<br>13. The Scheduling and Logging in California (SLIC) system will pass Business Unit Review.<br>14. The Market Quality System (MQS) system will pass Business Unit Review.<br>15. The Control Area Scheduling (CAS) system will pass Business Unit Review.<br>16. The Automated Load Forecast System (ALFS) will pass Business Unit Review.<br>17. The RMR Automated Validation Engine (RAVE) will pass Business Unit Review.<br>18. The Full Network Model (FNM) will pass Business Unit Review.<br>19. The PTR will pass Business Unit Review.<br>20. The Energy Management System (EMS) will pass Business Unit Review.<br>21. The Market Definition Service (MDS) system will pass Business Unit Review. |                            | 60 days prior to go-live                  | P                       | September 2008 Update:<br>All application transition sign-offs have been completed. Business Units are working at documenting and mitigating workarounds for systems that do not satisfy the required functionality |                               |
| BUS- BA - 2                    | Business Approval Business Area | CAISO will submit to FERC its readiness certification based upon the following information:<br>1. Review of all readiness criteria<br>2. All Market Participant input through the assessment process<br>3. Resolution of critical high issues<br>4. Completion of cutover and reversion plans<br>5. Completion of contingency plans<br>6. Completion of cutover walkthrough<br>7. 60 Day Plan   |                            | 60 days prior to go-live                  | P                       |   |                               |

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