



California Independent  
System Operator Corporation

August 5, 2008

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: Monthly Status Report re MRTU, California Independent  
System Operator Corporation  
Docket No. ER06-615**

Dear Secretary Bose:

Enclosed for filing in the above-captioned docket, please find an electronic copy of the August 2008 MRTU Status Report of the California Independent System Operator Corporation.

Respectfully submitted,

**/s/ Anna McKenna**

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Operator Corporation  
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Attorney for the California Independent  
System Operator Corporation



As previously reported, the CAISO had been targeting an October 1, 2008 launch date for MRTU. At the July 9, 2008 Board of Governors meeting, CAISO management presented an extensive MRTU update concerning the status of CAISO readiness and acknowledged that the target MRTU launch date of October 1, 2008 was not feasible but that a Fall 2008 implementation was still feasible. Representatives from San Diego Gas & Electric Company, Pacific Gas and Electric Company and Southern California Edison Company expressed their commitment to extend their best efforts to achieve a November 1, 2008 launch. Several representatives from the municipal community, including the Northern California Power Agency, the City of Anaheim and the City of Riverside expressed their commitment to a successful MRTU launch but expressed a greater degree of doubt as to whether MRTU could be launched in the fall of 2008.

Due to the challenges recently experienced in Integrated Market Simulation Update 2 (“IMS Update 2”), based on an evaluation of the readiness metrics as provided in the August 2008 MRTU Status report, here attached, and through consultations with Market Participants both through individual outreach efforts and broader stakeholder MRTU readiness activities, the CAISO has determined that at this time a 2008 Fall start for MRTU is not feasible. At this time the CAISO has not established a new target start date. The CAISO will continue to work closely with Market Participants to establish a stable market simulation experience and in the September Board of Governors meeting will report on the CAISO’s readiness status and, if feasible, will then establish a new MRTU Go Live date.

The CAISO notes that while considerable progress has been made throughout the month of July in resolving open issues and adding final functionality that have enhanced performance, challenges persist. Most recently, there the levels of performance of the Day-Ahead Market (“DAM”) and Real-Time Market (“RTM”) that were previously observed have deteriorated. Internal and External Readiness activities continued throughout the month and have provided numerous opportunities for the CAISO and Market Participants to evaluate both the CAISO’s and the market’s readiness status. The attached August 2008 MRTU Status Report contains additional details on the status of the MRTU implementation efforts currently underway.

At this time the CAISO takes the opportunity to express its appreciation for the significant efforts by the Commission to provide the CAISO with timely orders before MRTU go live. The additional certainty provided in the Commission’s orders is instrumental in enabling the CAISO to achieve the level of stability sought by Market Participants prior to go live. The CAISO continues to evaluate the impact of required changes coming from orders already issued by the Commission on the MRTU program. A successful launch of MRTU at any time would be compromised were there to be significant policy changes that impact functionality, systems and business processes in close proximity to the expected start date.

The CAISO notes the following filings pending Commissions action:

1. RMR Contract Compliance Filing (Docket No. ER06-615-015) – filed October 26, 2007;

2. Fourth Replacement CAISO Tariff - Clean-up Tariff compliance obligations, Miscellaneous, including reversion authority (Docket Nos. ER06-615 and ER08-367) – filed December 21, 2007;
3. Resource Adequacy tariff compliance (Docket No. ER06-615) –filed February 8, 2008;
4. Interim Capacity Procurement Mechanism (Docket No. ER08-556) - filed February 8, 2008;
5. Grid Management Charge for MRTU (Docket No. ER08-585) – filed February 20, 2008;
6. Business Practice Manual Technical Conference Compliance Filing (Docket Nos. ER06-615-012 and ER07-1257) – filed May 19, 2008;
7. Modification to Decremental Bidding Rule (Docket No. ER08-1011) – filed May 23, 2008;
8. Declined Predispatched Intertie Bids compliance Filing (Docket No. ER08-628) – filed May 29, 2008;
9. Integrated Balancing Authority Area amendments (Docket No. ER08-113) filed June 17, 2008;
10. Exceptional Dispatch Bid Mitigation (Docket No. ER08-1178) – filed June 27, 2008;
11. Start-Up and Minimum Load Cost Compliance Filing (Docket No. ER08-73) – Filed July 21, 2008;
12. Compliance Filing on August 3 Filing (Docket Nos. ER06-615 and ER07-1257) – Filed July 21, 2008;

13. Generation Interconnection Process Reform Amendment Filing  
(Docket Nos. ER08-1317) – July 28, 2008;

The following pending orders relate to Order No. 890 compliance requirements that impact the MRTU Tariff:

14. FERC Order 890-A compliance filing (Docket No. OA08-12 and OA08-62) – filed April 15, 2008; and

15. FERC Order 890 compliance filing (Docket No. OA08-12) – filed June 16, 2008.

Respectfully submitted,

**/s/ Anna A. McKenna**  
Sidney Mannheim Davies  
Anna A. McKenna

Counsel for the California Independent  
System Operator Corporation

Dated: August 5, 2008

## CERTIFICATE OF SERVICE

I hereby certify that I have caused the public version of the foregoing document to be served upon the Public Utilities Commission of the State of California and upon all parties of the official service lists maintained by the Secretary for Docket No. ER06-615.

Dated at Folsom, California, this 5<sup>th</sup> day of August 2008.

*Is/ Anna Pascuzzo*  
Anna Pascuzzo

**ATTACHMENT**

**Market Redesign and Technology Upgrade**

**FERC Report**

**August 4, 2008**

# **Market Redesign and Technology Upgrade**

## **FERC Report**

**August 4, 2008**

## Executive Summary:

This status report provides the Federal Energy Regulatory Commission (“Commission” or “FERC”) with information supporting the California Independent System Operator’s (“CAISO”) efforts to prepare itself and its Market Participants to commence Market Redesign and Technology Upgrade (“MRTU”) operations. This status report is an update to the July 14, 2008 report regarding the status of MRTU readiness. Due to the challenges experienced during Integrated Market Simulation Update 2 (“IMS Update 2”), as documented herein, and concern CAISO management has with respect to the ability to complete the scenario testing, perform bid-to-bill validation of charge codes, as well as achieve stability with the MRTU systems, a Fall 2008 Go Live date is not feasible. At this time, the CAISO has not determined a new MRTU Go Live date.

This month’s highlights:

- IMS Update 2 Continues
  - Significant progress has been made in adding final functionality and addressing key issues
    - We now have 91 of 125 charge codes validated
    - Final constraints have been added and are mostly stable but some issues remain to be addressed
    - We have identified and fixed lingering pricing issues that have caused concern to market participants
  - The vast majority of functionality and constraints within the Integrated Forward Market (“IFM”) were successfully enabled.
- Challenges persist
  - Performance of the Day-Ahead Market (“DAM”) and Real-Time Market (“RTM”) deteriorated from their previous levels.
    - DAM results were not published within the MRTU Tariff-specified market timeline on several days, after having previously been published mostly on time for several weeks.
    - Completion of the DAM run has on numerous occasions required that specific iterations / market functions be disabled in order to reach a solution.
    - Day-Ahead and Real-Time scenario execution has been hampered by software instability and pricing excursions.
    - Charge code validation by the market participant does not always synchronize with CAISO charge code results because of data traceability issues.



- Internal and External Readiness activities continued throughout the month
  - Day-Ahead and Real-Time process and functionality walkthroughs held on a weekly basis with Market Participants.
  - Pre-Final Assessment and June functionality touchpoint survey conducted on June 27 with Scheduling Coordinators:
  - Kicked off the MRTU Operator Go Live Training program; four sessions have been conducted at various client sites in Texas and throughout California.
  - CAISO Operators have completed the first rotation of “Hands-On” training. System stability challenges have also impacted the training effort, yet “hands-on” values still achieved. Additional training rotations will be scheduled through Go-Live

## Overall Dashboard

The following dashboard outlines the current status for Business Units, Market Participants and the MRTU Program Management for the components People, Process, and Technology at the time the report was filed.

### Overall Readiness Status:

**Please Note:** The overall program status is based on a Go Live date in the Fall of 2008.

MRTU Schedule	
Current Period	Trend
	

MRTU Budget	
Current Period	Trend
	

**Please Note:** The status of readiness provided below for the CAISO Business Units and Market Participants is evaluated as of July 31, 2008. The CAISO continues to work with Market Participants through touchpoint updates and will re-evaluate their readiness after the participants have had additional time to test their systems. The CAISO completed a Pre-Final Assessment touchpoint with Market Participants in June 2008; action items from this touchpoint continue. The CAISO will align the final assessment with the new project timeline when the timelines is established. Also, the CAISO concluded the June IMS Functionality Touchpoint.

Category	Business Units		Market Participants
	Core	Non-Core	
People			
Process			
Technology			

 = No Delays

 = Delay, but will not impact an 11/1/08 Go-Live Trade Date. Contingency maintained, but at risk

 = Delay, will impact program delivery and an 11/1/08 Go-Live Trade Date. Use of contingency funds

### Technology/Testing Readiness:

Effective June 16<sup>th</sup> Market Participants have been able to submit bids and trades based on their specific strategies while being encouraged by CAISO to submit bids and trades consistent with the operational scenario for that day.

### Key Initiatives/Issues:

- **Vendor Delivery:** Vendor delivery of outstanding variance fixes has dramatically improved but a number of variances remain outstanding. The CAISO continues to manage the flow of variances by prioritizing them and dedicating resources strategically to mitigate the most severe variances first. In the past month the CAISO has focused on variances impacting system stability and settlements charge code validation.
- **Market Systems:** The remaining outstanding Market System end to end functionality continues to be tested internally. Quality of solution testing also continues.
- **Settlements:** All charge codes have been delivered and unit-tested. In July, the number of charge codes validated increased significantly, however Bid-to-Bill validation stands at 91 of 125 codes validated. Final charge code validation will be dependent on fixing remaining variances in upstream systems and running specific scenarios.
- **Market Simulation Experience:** Following the implementation of recent IFM patches, stability of the DAM has decreased. While the CAISO has successfully enabled most market functionality and constraints in IFM, publication of DAM results have missed the MRTU tariff-specified market timeline on several days. Results are often available shortly after the 1:00 pm target, but completion of the DAM run has frequently required that specific iterations or market functions (e.g., Forbidden Operating Regions or ramping rates) be disabled. This has delayed the execution of Day-Ahead scenarios and has also made downstream data validation difficult for both the CAISO and Market Participants. The CAISO has recently added some additional quality checkpoints during the execution of the DAM.

Further, the CAISO has recently temporarily suspended scenario execution in order to focus on performance and stability issues for market systems. While RTM stability has improved somewhat after the suspension of scenarios, failures tracked in the Real-Time Data Exchange Report indicate that the success rate of RTM execution and data broadcast is below the specified IMS Update 2 exit criteria.

As of the date of this report, we believe we have identified the underlying issues with stability and expect Day-Ahead and Real-Time to return to a stable condition and a return to scenario testing quickly.

## Key Accomplishments:

### *CAISO Internal Business Unit Readiness*

- **Training:** CAISO Employees completed knowledge transfer activities. First round of final hands on technical training courses was completed at the end of July with the second round set to begin in August. Scenario execution for Business Units is ongoing.
- **To-Be Processes:** Of 13 Tier 1 Business Processes, 10 are signed off. Final Sign Off for the remaining 3 is still pending due to ongoing functionality testing and validation. Day-Ahead and Real-Time processes are being run on a weekly basis to validate not only the process but also the associated functionality (Day-Ahead is very close to sign off). The Settlements Business Process is pending agreement on hand offs and functionality testing prior to sign off.
- **Assessment of Readiness:** Business Units are tracking remaining activities for Go-Live. Core Business Units as a group have fallen to “at risk” for Go-Live due to ongoing functionality concerns. Business Unit Owners are actively working to mitigate through close monitoring and the development of solutions/workarounds. Non-Core Business Units are currently on track.
- **MRTU Application Transition:** Completed Final Sign Off for 21 MRTU applications (both Siemens and Legacy) with responsibility for on-going management transferred from the MRTU project to IT and the responsible Business Unit.

### *External Readiness*

- **Integrated Market Simulation:** IMS Update 2 continues however, a less aggressive scenario execution schedule has been implemented. Preliminary results from the scenario testing continue to be posted on the CAISO website for Market Participant review. Final results report for each scenario will be posted by the CAISO for Market Participant validation. The CAISO has requested that Market Participants also provide feedback regarding the scenario results.

The CAISO recognizes that despite the progress made in IMS Update 2 (system functionality, enabled; application availability high (>98%); and significant progress on Charge Code validation), issues with the DAM and RTM runs as mentioned in the Technology/Testing update hinder Market Participants from having a successful Market Simulation. The CAISO has asked for additional onsite support from Siemens and twenty four hour system support continues.

- **Training:** The CAISO has kicked off its aggressive MRTU Operator Go Live Training program and in the month of July, four sessions have been conducted at various client sites and throughout California. An additional four sessions are scheduled in August in the following cities: Baltimore, Portland, Pasadena, and Folsom. Response to these classes has been positive and the CAISO continues to proactively assess the training needs of Market Participants and offer courses as needed.

- Assessment of Readiness:** The Readiness Team concluded the Pre-Final Assessment and June functionality touchpoint survey on June 27<sup>th</sup>. The objective was to confirm that the areas of People, Process, and Technology are either Complete or On Track for a 2008 Fall Go-Live date (targeted for October 1, 2008 at that time). Results have been analyzed and the Readiness team is following up with Scheduling Coordinators on Action Items. A majority of the Scheduling Coordinators did not respond to the Pre-Final Assessment and as a result, the CAISO reached out and extended their deadline for completion until July 31<sup>st</sup>. A second set of results will be compiled once all Pre-Final Assessments are in.

Preliminary results indicate that there are risks in achieving a Fall 2008 Go-Live date in the areas of People, Process, and Technology. Furthermore, an executive outreach communication between the CAISO and certain Market Participants revealed that a Go-Live target date of November is not feasible. Market Participants raise concerns with respect to the ability to complete the scenario testing, perform bid-to-bill validation of charge codes, and achieve stability with the MRTU systems. The CAISO is reevaluating the program timeline and will share it with FERC and the market once it is established.

In the meantime, the Readiness team will continue to evaluate External Readiness activities and align them with the new program milestones accordingly.

- Quick Response Team:** All Market Participants' open Market Simulation Issues are being closely evaluated for resolution. Issues continue to be prioritized and status provided to the originating Market Participants and general status in a report posed on the website. Over the past few weeks, discussion of system usability issues have been occurring during the Market Simulation briefing and debriefing weekly phone calls. The Quick Response Team works with the Market Participants to provide the Market Participants with the status of Open issues. This effort continues to help identify key issues that have a significant impact on Market Simulation results and gain quick resolution.

### Risks and Mitigations:

Risks and Mitigations	
<b>Technology/Testing</b>	<ul style="list-style-type: none"> <li> <b>High Availability/Cutover to Production Systems</b> has not yet occurred. Mitigation: A plan for the build out and checkout of the Production environment was created. The build process is well underway and initial systems have been turned over to the Integration Testing team for checkout. Operational testing of high availability has also started and will continue throughout August. The original completion date was August 1<sup>st</sup> but this effort is four weeks behind with a new tracking date of September 1<sup>st</sup>.         </li> <li> <b>Application and Infrastructure Monitoring</b> in the IMS Update 2 environment has been enhanced, but additional application level         </li> </ul>



	<p>monitoring is still being developed. Mitigation: IT will continue to work with the infrastructure team and application owners to continue to refine monitors, alerts, and the communication process surrounding them. Additional monitoring and processes for the new integration layer guaranteed message delivery implementation has been built in the new Production environment and will also be tested as part of the environment checkout effort.</p> <ul style="list-style-type: none"> <li>▪ <b>System Stability and Performance</b> – The DAM and RTM performance has deteriorated from previous levels. The inclusion of forbidden regions has proved challenging requiring specific iterations or market functions to be disabled. Market Participants continue to express concerns about system performance. Mitigation: CAISO and the Vendor are addressing issues impacting the forbidden region functionality. IT continues to enhance/refine monitoring to target specific areas for performance tuning. Also, the risk with respect to system performance is expected to be reduced with the cutover to actual production hardware/systems that are high availability over the next month.</li> <li>▪ <b>Full Network Model and Daylight Savings Time (DST) Testing</b> continues in their stand alone areas but have not been introduced into the CAISO Integrated test environments yet. Mitigation: The new network model has been sent to the Market Systems vendor for a final review prior to incorporating it into the CAISO integrated environments. This will allow the vendor to quickly address any software related issues that may be uncovered by the new model. The DST testing is currently held by the four week delay in the Production environment completion; DST testing will be performed in the current Market Simulation environment once the move to the new Production environment is complete.</li> </ul>
<p><b>Business Units</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Core Business Units</b> – Ongoing readiness monitoring of Core Business Units reveals that while all People and Processes are on track, Technology remains at risk for Go-Live due system stability and functionality impacts on Grid Operator training. Scenario testing for grid operators is behind schedule and key displays have yet to be delivered and tested. These issues are being monitored closely and solutions/workarounds are being developed. A Go-Live checklist is being used to track the Business Units to completion and raise issues as needed. Ongoing monitoring of Business Unit Readiness will continue through Go-Live. Activities include: continued application testing and validation of results, finalize the three remaining Tier 1 Business Processes, and closing the remaining functional gaps.</li> <li>▪ <b>Non-Core Business Units</b> – Ongoing readiness monitoring of Non-Core Business Units reveals that all People and Processes are on track. The Readiness Team will continue to work closely</li> </ul>

	<p>with the applicable Business Units, Program Management and Testing Team to complete the remaining Go-Live activities and deliverables including processes and tools. While Technology is presently a risk for the CAISO, Non-Core Business Units are not presently impacted in a significant manner by ongoing functionality issues and risks.</p>
<p><b>Market Participants</b></p>	<p>The Market Participants' Readiness in the People, Process and Technology areas is highly dependent upon a stable and effective Market Simulation environment to practice their internal processes and validate Settlement charge codes. The CAISO continues to do the following:</p> <ul style="list-style-type: none"> <li>▪ Conduct an additional Settlement Workshop for Charge Codes in IMS Update 2 as soon as Charge Codes are validated.</li> <li>▪ Ensure the ability of Market Participants to provide their own bids during Market Simulation.</li> <li>▪ The Quick Response Team continues with their objectives prioritizing and helping to resolve specific IMS issues until Go-Live. Retest of issues will begin as soon as they have been resolved.</li> <li>▪ Test Market Participant Scenarios during IMS Update 2.</li> <li>▪ Provide daily Market Simulation status reports showing which Charge Codes have valid results for each day of Market Simulation along with an update on system status.</li> <li>▪ Continue with scheduled meetings and workshops (<i>i.e.</i>, monthly MRTU Implementation Workshops, bi-weekly SIUG and weekly SaMC meetings.)</li> <li>▪ Conduct Touchpoints during IMS Update 2 to gauge Market Participants' experience with Market Simulation and ensure an effective Market Simulation.</li> <li>▪ Track Scheduling Coordinators' Market Simulation activities by system (<i>i.e.</i> SIBR, CMRI, OASIS, BAPI). Those Scheduling Coordinators, who are not participating, will be contacted to discuss the reason why.</li> <li>▪ Conduct Market Simulation Issues Review meetings to communicate status and resolution of issues.</li> <li>▪ Provide increased visibility into weekend system patching activities via an interim Release Management process developed by the Market Simulation Team.</li> </ul>

**Key Activities and Next Steps:**

- Address system stability issues and stabilize market systems with all constraints enabled
- Continue Market Simulation, including Market Participant Scenario testing in IMS Update 2 with final MRTU functionality.
- The Quick Response Team will continue to address Participant issues.
- Continue to analyze and resolve market simulation issues. Communicate issue status and retesting when appropriate to ensure resolution has been achieved.
- External Readiness Final Assessment schedule will be aligned with new program milestones once they are established.
- Completion of PwC Audit Opinion is contingent on the identification of a Go-Live date.
- Resolve issues/recommendation identified by the SAIC Market Software Certification.
- Continue the ongoing testing and training of Operations functionality and processes.
- Garner final sign off for 3 remaining Tier 1 Business Processes.

## Readiness Criteria High Level Overview: July 31, 2008

The following shows the overall status of the MRTU Readiness Criteria as of July 31, 2008.

### Total Number of MRTU Readiness Criteria: 33

- # of Completed Readiness Criteria: 7
- # of "On Track" Readiness Criteria: 23
- # of "Not On Track" Readiness Criteria: 3

### July Status Changes:

- # of Readiness Criteria that have changed status from Orange to Purple: 0
- # of Readiness Criteria that have changed status from Orange to Blue: 0
- # of Readiness Criteria that have changed status from Purple to Orange: 1
  - The following Readiness Criteria changed status from Purple to Orange:
    - LMP-PRD
- # of Readiness Criteria that have changed status from Purple to Blue: 0

\*Only status change on parent criteria are counted in these statistics. Any status changes on sub-criteria are not counted.

### 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.

Criterion	Status	Comments	Criterion	Status	Comments
<b>Completed Readiness Criteria</b>			<b>"On Track" Readiness Criteria</b>		
<b>BPM – 1</b>	<b>B</b>	As of November 2007, all BPMs have met FERC directives and have been posted on the CAISO website.	<b>CRR-2</b>	<b>P</b>	CRR Broadcast Services are currently in Integration Test
<b>CRR – 1</b>	<b>B</b>	As of April 2007, the CAISO has completed the CRR Dry Run in Market Simulation.	<b>CRR-3</b>	<b>P</b>	The timeline for the monthly allocation process is being reevaluated due to the changes in the MRTU schedule.
<b>CRR-4</b>	<b>B</b>	The CAISO made its compliance filing with the FERC's Long-Term Transmission Rights Final Rule on January 29, 2007.	<b>ENT-1</b>	<b>P</b>	All enterprise systems are in the verification process to ensure that they will meet availability requirements.
<b>ECA-1</b>	<b>B</b>	The Control Area Scheduler went live on 2/13/07 and all tags applicable to CAISO from Partisans have been linked to CAS.	<b>GO-1</b>	<b>P</b>	All Procedures have been completed. The CAISO is On Track to post these procedures 1 day prior to MRTU Go-Live.
<b>MM-Study 2</b>	<b>B</b>	Analysis of the potential LMPM deficiency showed that it was not a valid concern.	<b>INF-1</b>	<b>P</b>	Monitoring tools and production environment are available to support Market Simulation.
<b>SE-1</b>	<b>B</b>	As of 6/30/07, the State Estimator has meet all stipulations of this Readiness Criterion.	<b>LMP Testing</b>	<b>P</b>	Analysis Track Testing (ATT) effort has completed review of 100% of test cases identified for IFM. Work continues fro validation in the Market Sim environment.
<b>TST-1</b>	<b>B</b>	Performance Testing for IMS Update 2 has been completed and passed QRB Review.	<b>MKS-1</b>	<b>P</b>	This scenario ran on June 5 <sup>th</sup> for trade date 6/6/08. Results are on the CAISO website for Market Participant review.
<b>"On Track" Readiness Criteria</b>			<b>"On Track" Readiness Criteria</b>		
<b>MKS-2</b>	<b>P</b>	The CAISO is in the final stages of finalizing the list of reporting metrics.	<b>ORG-3</b>	<b>P</b>	The EDR is available to DMM and issues arising from testing are being addressed.
<b>MM-Study</b>	<b>P</b>	The final CPA report will be published one month prior to Go-Live.	<b>REG-1</b>	<b>P</b>	Filings are On Track to be completed 90-60 days prior to MRTU Go-Live.
<b>MOD-1</b>	<b>P</b>	FNM model DB32 is currently being tested and the DB35 model is under development. The DB35 model is planned for simultaneous promotion with market s and EMS in October 2008.	<b>STL-1</b>	<b>P</b>	Revised Settlements BPM have been posted on the CAISO website. Audit of the SaMC software has begun and scheduled to complete by end of IMS U2.
<b>MS-1</b>	<b>P</b>	All Hardware and monitoring tools have been deployed to measure availability of the systems during PPS.	<b>SIM - 1</b>	<b>P</b>	IMS Update 2 continues.
<b>ORG-1</b>	<b>P</b>	Business Units have met the 5/1 corporate goal and are On Track.	<b>TECH-1</b>	<b>P</b>	Operational Readiness Testing is in progress.
<b>ORG-2</b>	<b>P</b>	Continued tracking the remaining activities and deliverables for all Business Units.	<b>TST- 2</b>	<b>P</b>	Integration testing continues for additional functionality.
<b>PRT-1</b>	<b>P</b>	The CAISO will realign the Pre-Final Assessment to the project timeline.	<b>BUS-BA-1</b>	<b>P</b>	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 functions.
<b>PRT-2</b>	<b>P</b>	All Critical and Very High issues in IMS Update 2 are being resolved as they arise.	<b>BUS- BA - 2</b>	<b>P</b>	This readiness criteria refers to the 60 Day FERC Filing.
			8/4/2008		

Readiness Criterion	Status	Comments
<b>“Not On Track” Readiness Criteria</b>		
LMP-PRD	○	It was anticipated that the real-time validation tool will be completed on or around the first week of July 2008. However, further development of SAS environment, DB environment, output viewer, kick off controller, and code delivery are delaying completion of the tool. A new target date is being assessed based on the progress of these activities.
STL-2	○	To date, 88 out of 125 Charge Codes have been validated from Bid to Bill.
STL-3	○	This criteria is dependent on the Bid to Bill validation of Charge Codes and accurate invoices.